



Chief Executive Office.

COUNTY OF LOS ANGELES

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CHIEF EXECUTIVE OFFICER

Fesia A. Davenport

February 16, 2023

To: Supervisor Janice Hahn, Chair
Supervisor Hilda L. Solis
Supervisor Holly J. Mitchell
Supervisor Lindsey P. Horvath
Supervisor Kathryn Barger

From: Fesia A. Davenport
Chief Executive Officer

CHIEF EXECUTIVE OFFICE RISK MANAGEMENT ANNUAL REPORT, FISCAL YEAR 2021-22 (ITEM NO 30-A, BOARD MEETING OF FEBRUARY 6, 2018)

Attached is the *Chief Executive Office Risk Management Annual Report, Fiscal Year 2021-22*. The purpose of the report is to inform the Board of Supervisors (Board) of a summarized Cost of Risk in Liability and Workers' Compensation exposures; assist departments to recognize the nature and extent of their exposures and losses; and provide direction on risk management strategies to be taken in the current and subsequent fiscal years (FY).

It was previously reported to the Board that as the County of Los Angeles (County), State, and federal courts resume pre-pandemic operations, there would be the expectation that paid losses would increase. This year's report reflects these expectations, both in frequency of claims and the cost to resolve the claims.

Details of the number, type, and cost of claims are included in the attached report. The following is a summary of the risk categories.

Total Cost of Risk

The total of all costs related to Liability and Workers' Compensation increased by \$89.4 million to \$796.2 million, which represents a 12.7 percent increase over FY 2020-21. The County's Total Cost of Risk increased from 2.00 to 2.01 percent of the County's operating budget; this represents a 0.5 percent increase over FY 2020-21. The Total Cost of Risk is measured as a percentage of the County's operating budget.



Vehicle Liability¹

Vehicle accident claims increased by 14 to 819, which represents a 1.7 percent increase over FY 2020-21. The cost of claims and lawsuits increased by \$11.0 million to \$26.7 million, which represents a 70.3 percent increase over FY 2020-21. The cost increase can be attributed to one case that was resolved for approximately \$16 million.

Other General Liability¹

These claims have increased by 8,285 to 10,540, which represents a 367.4 percent increase over FY 2020-21. The increase in Other General Liability claims is due to the Dominguez Hills/Carson odor incident. The cost of claims and lawsuits decreased by \$13.1 million to \$38.5 million, which represents a 25.3 percent decrease over FY 2020-21.

Employment Practices Liability (non-Workers' Compensation)¹

These claims have increased by 73 to 189, which represents a 62.9 percent increase over FY 2020-21. The cost of claims and lawsuits increased by \$8.1 million to \$24.9 million, which represents a 48.1 percent increase over FY 2020-21. This risk category has been low for several years; however, we experienced a number of older claims being resolved this FY, as well as an unusually high number of claim trends related to COVID-19 that have not continued in the current FY.

Law Enforcement Liability¹

These claims have decreased by 1 to 574, which represents a 0.2 percent decrease over FY 2020-21. The cost of claims and lawsuits increased by \$22.9 million to \$58.1 million, which represents a 65.2 percent increase over FY 2020-21. The cost increase can be attributed to two cases that were resolved for approximately \$22 million.

Medical Malpractice Liability¹

These claims have decreased by 52 to 90, which represents a 36.6 percent decrease over FY 2020-21. The cost of claims and lawsuits decreased by \$1.1 million to \$3.5 million, which represents a 23.8 percent decrease over FY 2020-21.

¹ In FY 2020-21, County Counsel implemented a new system to manage litigation activities and CEO implemented a new system to manage claim activities with data exchange between the two systems. These systems allow the County to generate more accurate reporting and classification studies based on our specific needs. Therefore, these reports will have different costs associated with the departments. CEO reports on tort liability and Worker's Compensation claims, while County Counsel reports on both non-tort and tort liability cases and does not report on Workers' Compensation matters. County Counsel's Annual Litigation Cost Report should be utilized to evaluate trends related to litigation expenses, and the CEO Risk Management Annual Report should be used to analyze Workers' Compensation and Liability claims trends.

Workers' Compensation

These claims have increased by 1,660 to 13,807, which represents a 13.7 percent increase over FY 2020-21. The cost of claims and lawsuits increased by \$59.4 million to \$468.4 million, which represents a 14.5 percent increase over FY 2020-21. The cost increase can be attributable to statutory changes in physician charges and payments to injured workers.

The Chief Executive Office – Risk Management Branch continues to work with departments to prevent injuries and lower costs through guided assistance, and training and education initiatives, including:

- Collaboration with departments to create and implement effective Corrective Action Plans to improve policies and training to prevent future liabilities.
- Collaboration with the County's medical provider departments to create and foster "Just Culture" which improves communication and best practices that have shown to ultimately lower our overall risk.
- Measurement of departments' risk performance and focused loss prevention efforts to improve departments experiencing higher loss trends.

Furthermore, as directed by the Board on March 9, 2021, the Chief Executive Office – Risk Management Branch and the Department of Human Resources, developed metrics to rank departmental risk management performance by clusters and provided consultative services to the lower performing (bottom 10%) for each cluster. The results of the performance metrics and prevention activities are included in this report.

This report represents the combined efforts of the entire Chief Executive Office – Risk Management Branch team. Input and analysis were provided by staff of Liability Claims and Recovery, Loss Control and Prevention, Office of Privacy, Risk Management Finance, Risk Management Inspector General, Risk Transfer, and Workers' Compensation.

Should you have any questions concerning this matter, please contact me or Steven T. Robles, Assistant Chief Executive Officer/County Risk Manager, at (213) 351-5346 or SRobles@ceo.lacounty.gov.

FAD:JMN
STR:sg

Attachment

c: All Department Heads



County of Los Angeles

Risk Management

Inside County Risk FY 2021-22 Annual Report

Steven T. Robles
County Risk Manager
February 16, 2023

LA County Library

Youth Development

Public Social Services

Economic Development

Medical Examiner-Coroner

Auditor-Controller

Board of Supervisors

Regional Planning

Public Defender

Museum of Art

LACERA

Assessor

Public Works

District Attorney

Beaches and Harbors

Health Services

Sheriff

Fire

County Counsel

Chief Executive Office

Alternate Public Defender

Public Health

Child Support Services

Animal Care and Control

Treasurer and Tax Collector

Agricultural Commissioner/Weights and Measures

Arts and Culture

Parks and Recreation

Mental Health

Probation

Human Resources

RISK
MANAGEMENT

Justice, Care and Opportunities

Aging and Disabilities

Consumer and Business Affairs

Superior Court

Children and Family Services

Museum of Natural History

Military and Veterans Affairs

Registrar-Recorder/County Clerk



Hilda L. Solis
First District



Holly J. Mitchell
Second District



Lindsey P. Horvath
Third District



Janice Hahn
Fourth District



Kathryn Barger
Fifth District

COUNTY OF LOS ANGELES
BOARD OF SUPERVISORS



CHIEF EXECUTIVE OFFICE
RISK MANAGEMENT BRANCH

2021-22

Inside
County Risk
Risk Management Annual Report



TABLE OF CONTENTS

Risk Horizon	Page 1
Risk Manager's Message.....	Page 2
Key Objectives—Fiscal Year 2021-22	Page 4
Cost of Risk	Page 5
Risk Financing	Page 7
Workers' Compensation Program.....	Page 10
Liability Claims and Recovery	Page 22
Trend Analysis	Page 26
Loss Control and Prevention.....	Page 34
Risk Management Inspector General.....	Page 37
Risk Transfer.....	Page 42
Office of Privacy	Page 47
Risk Management Finance.....	Page 49
Risk Management Performance Metrics	Page 52
Statistics – Fiscal Years 2019-20 to 2021-22.....	Page 54
Report Abbreviations.....	Page 64

RISK HORIZON

The number and type of losses we experience are generally predictable over the horizon of many years. However, there are events and risks that we have identified that will increase these losses both in frequency and severity, as follows:

- The State of California (State) increased medical-legal reporting fees that physicians can charge. This year alone, we experienced a \$13 million increase. These fee increases will continue to impact the Workers' Compensation Program.
- Recently-passed Workers' Compensation legislation, Senate Bill 1277), will increase Workers' Compensation frictional and litigation costs, and have a negative impact on public safety budgets.
- Workers' Compensation temporary disability expenses increased from \$34.6 million in Fiscal Year (FY) 2020-21 to \$37.9 million in FY 2021-22, an increase of 9.5%. This increase was driven by an unprecedented 13.5% increase in the State temporary disability rate. Since the State temporary disability rate is tied to increases (not decreases) in the State Average Weekly Wage, we anticipate the Workers' Compensation Program will continue to experience increases in temporary disability expenses.
- Medical Injury Compensation Reform Act (MICRA) was a limit placed on medical malpractice claims/lawsuits passed by the legislature in 1975. In 2022, the State increased the MICRA limit from \$250,000 to \$500,000 effective January 1, 2023, with subsequent increases beyond \$1 million. This will impact the costs associated with medical malpractice claims/litigation and the departments that are impacted by these types of risks.
- California's Child Victims Act, Assembly Bill 218) allowed claims/lawsuits to be filed against the County of Los Angeles (County) with no statute of limitations. Claims/lawsuits must be filed before December 31, 2022; however, the County has already received hundreds of claims that will significantly increase costs primarily to the Department of Children and Family Services and the Probation Department over the next 2-7 years.
- Cyber and Privacy intrusion by third parties remain a high risk. Both privacy and cybersecurity risks can occur through cyber-attacks by external threat actors, privacy and cybersecurity incidents or breaches involving the County's numerous third-party vendors, or even internally through employee actions or errors. The County must remain vigilant and continue to implement proactive cybersecurity and data protections, regularly perform risk assessments of business processes involving County data, systems, and information assets, provide ongoing employee privacy and cybersecurity training, and deploy specific policies and procedures, and decrease and avoid data and cybersecurity privacy risks.

*The County's objective
is to minimize the
Cost of Risk*

RISK MANAGER'S MESSAGE

The County Chief Executive Office – Risk Management Branch (CEO Risk Management) is pleased to provide its Risk Management Annual Report for FY 2021-22.

In previous fiscal years, we focused on improving the County's risk culture and operational capabilities. These initiatives ultimately led to an enterprise risk model that embeds risk management into the planning, execution, and completion of all Board of Supervisors' (Board) priorities and operational functions of the County.

As these programs begin to mature, we are realizing significant results, including: the ability to attract multiple insurers to cover our larger loss exposures, the elimination of hundreds of Workers' Compensation claims, predictable loss development, and increased third-party recoveries.

Over the last several years, we have been focusing on updating the data management associated with claims and litigation. The comprehensive Risk Management Information Platform (RMIP) has already proven to be flexible, reliable, and user friendly. In fact, the COVID-19 pandemic generated various mandates to manage County exposures and we were able to transition our RMIP to provide relevant information to keep in legal compliance and better manage employees impacted by the pandemic.

We have now begun developing the next generation of Audit Analytics. Utilizing artificial intelligence and machine learning, this system will allow for continuous auditing of the touch points within our systems to ensure the best possible outcomes, system integrity, and recovery. Furthermore, the Audit Analytics platform has proven capabilities to detect anomalies among our vast Workers' Compensation transactions to alert us of potential fraud, waste, and abuse.

In FY 2021-22, we continued to focus on managing various initiatives to track and reduce COVID-19 spread amongst County employees. However, we have transitioned our attention on loss control initiatives as we move away from pandemic restrictions. As such, we have implemented a multi-year plan to control costs and reduce liability, as follows:

1. The expansion of purchasing commercial insurance to protect against the risk of catastrophic loss events.
2. An aggressive claim closure program has been implemented to finalize Workers' Compensation claims for employees who no longer work for the County. This benefits the injured worker as it gives more control over the administration of their health care, and it benefits the County as it lowers our long-term liabilities.
3. The development and implementation of a comprehensive Risk Financing Plan to lower our long-term Workers' Compensation liabilities.

RISK MANAGER'S MESSAGE (CONTINUED)

Overall, the County's Cost of Risk remains near the industry standard of 2.0%. Below is a brief trend indicator for the categories of loss we typically observe and how it contributes to the overall Cost of Risk.

The frequency increase indicator is marked in red as we will typically see increased costs associated with the increased claims. Conversely, as we see downward trends (marked in green) in claims, we can usually expect to see lower costs in the future. However, this year we had some unusually large incidents that disrupted the trends. For example, the Department of Public Works (Public Works) had an increase of approximately 8,300 claims due to the Dominguez Channel odor incident.

This year's annual report is organized to allow for identification of claim trends specific to General Liability and sub-categorized areas, including Law Enforcement, Employment, Medical Malpractice, Automobile, and General Liability. These categories represent different exposures and prevention requirements that will allow County departments the ability to focus efforts according to specific losses. Lastly, as directed by the Board on March 9, 2021, we have added department performance metrics and opportunities to focus on loss prevention, privacy and Workers' Compensation/return-to-work.

Claim Type	% Change in Frequency		% Change in Expense
Workers' Compensation	13.7%		14.5%
Automobile Liability	1.7%		70.3%
General Liability - Other	367.4%		-25.3%
Law Enforcement Liability	-0.2%		65.2%
Employment Practices Liability	62.9%		48.1%
Medical Malpractice Liability	-36.6%		-23.8%
Total	62.2%		17.5%
Cost or Risk (excluding non-County agencies)			2.0%

Note: Increase in Other General Liability claims is due to the Dominguez Hills/Carson odor complaints.

Many opportunities to lower our overall costs remain. The remainder of this report outlines our key objectives for the upcoming FY and the specific cost drivers impacting our overall Cost of Risk.

KEY OBJECTIVES—FISCAL YEAR 2022-23

CEO Risk Management provides leadership and direction for the County's Risk Management and Privacy programs. Key objectives for FY 2022-23 include:

- Implement performance and audit monitoring of our Third-Party Administrators (TPAs) and vendors to increase performance, lower costs, and provide better services to our injured workers.
- Implement the next generation Fraud, Waste, and Abuse analytics system to ensure the best possible outcomes, system integrity, and loss recovery.
- Diagnose and implement any remaining improvements to RMIP.
- Implement additional communication channels to injured workers, including an online Workers' Compensation portal.
- Further develop the privacy incident response policy and protocols to address cybersecurity incidents and expand vendor management functions to further protect the County's data and information.
- Continue to lower the unfunded liabilities in Workers' Compensation by closing claim exposures, funding liabilities, and capping losses with catastrophic loss insurance.
- Implement strategies to assist in lowering Workers' Compensation claim costs in the Safety classification to better engage departments, identify cost drivers, and assist in loss control implementation.
- Assess and implement advanced Risk Financing strategies that target long-term liabilities in Workers' Compensation claim costs.



PREVENTION

IDENTIFY

SOLUTION

COST

RECOVERY

COST OF RISK

The Cost of Risk is the ratio of the expenditures for the County's various cost of claims paid, divided by the County's Operating Budget in a specific FY. The effectiveness of the County's risk management programs, policy decisions, and the effects of State and federal regulations are reflected in the Cost of Risk since it includes paid Workers' Compensation claims, General Liability claims, and the cost to defend a myriad of tort and non-tort-related claims. The Cost of Risk also includes the costs associated with loss control and prevention programs, insurance premiums, and operational and administrative expenses.

During FY 2021-22, the County experienced an increase in the Cost of Risk of 0.5%.

THE COUNTY'S OBJECTIVE IS TO MINIMIZE ITS TOTAL COST OF RISK

Detailed information is listed in the "Statistics" section of this report regarding the number of claims and expenses for each of the last three FYs by department for Workers' Compensation, State of California Labor Code (LC) 4850 and Salary Continuation, Automobile Liability, General Liability, Employment Practices Liability, Law Enforcement Liability, and Medical Malpractice.

The table on the next page illustrates the totality of all categories of risk as related to the County's Operating Budget.



COST OF RISK₁

Category	FY 2019-20	FY 2020-21	FY 2021-22
Workers' Compensation			
Workers' Compensation Expense	\$401,160,401	\$409,016,919	\$468,381,386
Labor Code 4850/Salary Continuation	\$127,304,869	\$133,418,720	\$162,510,229
Workers' Compensation Expense Total	\$528,465,270	\$542,435,639	\$630,891,614
Liability			
Liability Expense Total	\$181,216,667	\$144,939,061	\$173,641,389
Purchased Insurance (premium and fees)	\$25,344,978	\$28,476,443	\$28,973,000
Cost of Risk	\$735,026,915	\$715,851,144	\$804,533,003
Cost of Risk (excluding non-County agencies)	\$724,361,149	\$706,762,945	\$796,246,419
Total County Operating Budget (000)	\$33,328,813	\$35,328,479	\$39,576,967
Cost of Risk (Excluding non-County agencies as a percentage of the County's Operating Budget)	2.17%	2.00%	2.01%

1. Detailed Cost of Risk Information can be found in Exhibit G of this report.
2. Labor Code 4850 benefits are provided to defined safety officers. The benefit pays full salary tax free for one year while they are disabled due to an industrial injury and cannot work. The County provides certain employees salary continuation benefits that restore 70% of their wages tax free while they are unable to work due to an industrial injury. The benefit is available for one year from the date of the industrial injury.

RISK FINANCING

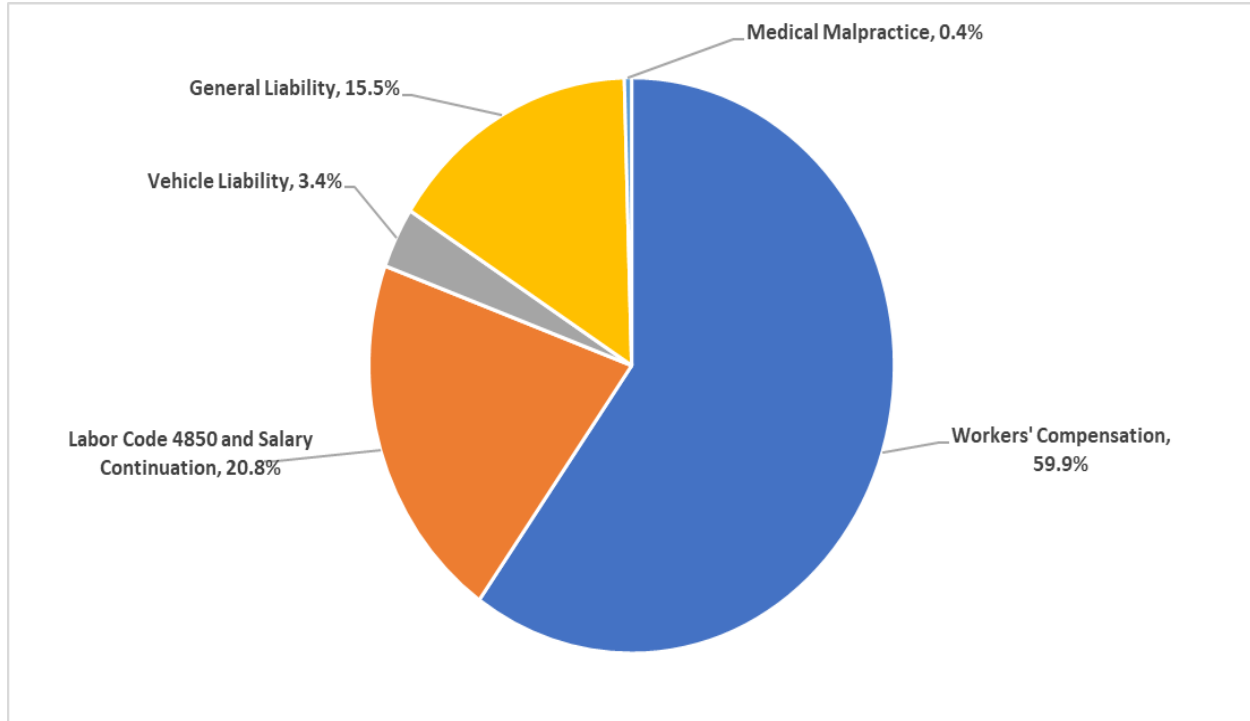
The County currently finances nearly all losses on a cash basis; therefore, any liability or Workers' Compensation claim that arises is subject to cash payment by the County, regardless of size. Based on the nature and scope of County operations, natural disasters, and external influences, County departments will be susceptible to large claims that significantly impact expenses. The results of FY 2021-22 illustrate this susceptibility as the top-10 claims of each expense category accounted for significant portions of expense, as follows: Law Enforcement top-10 claims accounted for 68.8% of expenses; General Liability top-10 claims accounted for 38.4% of expenses; Automobile Liability top-10 claims accounted for 78.3% of expenses; Medical Malpractice top-10 claims accounted for 64.7% of expenses; and Employment Liability top-10 claims accounted for 37.4% of expenses. The County has instituted several risk management techniques to manage the cost of large loss claims outside of litigation management. Minimizing the frequency of claims minimizes the possibility of one of those claims becoming a large loss. The County currently utilizes loss control and prevention best practices specific to departments that are coordinated through the CEO, as follows:

- Corrective Action Plans and/or Summary Corrective Action Plans are required for all settlements with an indemnity amount in excess of \$100,000 and as requested by the Risk Management Inspector General (RMIG). These plans summarize the nature of the claim and identify the root cause of the problem and corrective action steps to be taken by the department, or the County as a whole, to minimize the potential for similar events to occur.
- CEO Risk Management's Loss Control and Prevention Unit updated several online training modules to address the risk factors that contribute to vehicle accidents, and issued notices to departments that were experiencing increased claims.
- Risk Management Plans are developed by each department on an annual basis. These plans provide an overview of each department's risk management program, significant risk issues for that department, and mitigation measures or goals designed to prevent or minimize the given exposure.
- CEO Risk Management provides reporting and early trend analysis capabilities through departmental-specific dashboards. This includes a drill-down capacity to identify the "Top-5 Causes of Concern" for each type of loss.
- Contractual risk transferring of large loss potential involves reviewing, recommending, and constructing departmental insurance contract language, including indemnification language and proper endorsement usage that is consistent throughout the County and formulated to provide protection to the various contractors and the County, should an adverse event occur. County Counsel and CEO Risk Management collaborate with departments in this endeavor.

OVERALL COSTS

The overall Cost of Risk graph below illustrates that Workers' Compensation accounts for 59.9% of the Cost of Risk. For FY 2021-22, this represents approximately \$468 million.

PERCENTAGE OF TOTAL COST PAID BY CLAIM TYPE – FY 2021-22



CLAIM SEVERITY (TOTAL COST PAID) - ALL CLAIMS 1,2,3 - FY 2019-20 THROUGH FY 2021-22

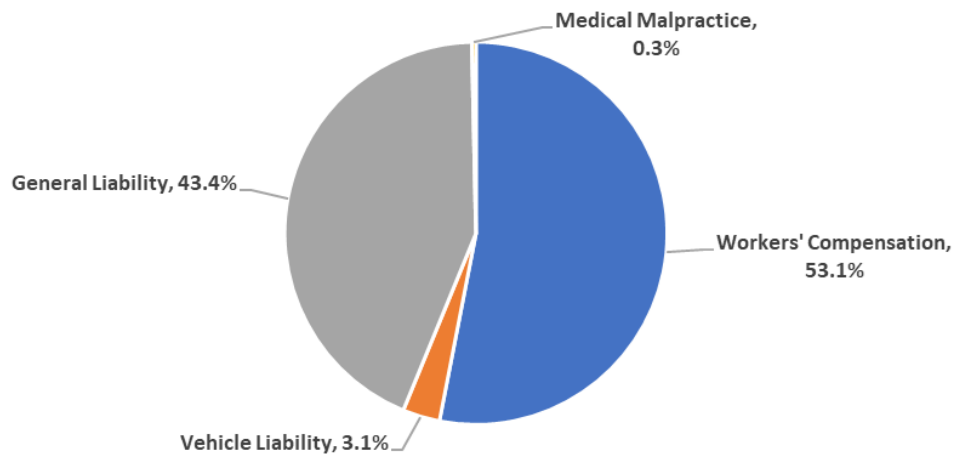
Claim Type	FY 2019-20	FY 2020-21	FY 2021-22
Workers' Compensation	\$401,160,401	\$409,016,919	\$468,381,386
Labor Code 4850 and Salary Continuation	\$127,304,869	\$133,418,720	\$162,510,229
Vehicle Liability	\$28,176,437	\$15,685,346	\$26,706,807
Law Enforcement Liability	\$38,228,175	\$35,150,030	\$58,073,978
Employment Practices Liability	\$30,242,152	\$16,816,246	\$24,897,057
Other General Liability	\$58,032,882	\$51,547,333	\$38,489,633
Medical Malpractice	\$7,918,033	\$4,579,751	\$3,489,914
TOTAL	\$691,062,949	\$666,214,345	\$782,549,004

1. Data does not include unemployment costs.
2. Data includes pending and non-jurisdictional departments, but does not include associated agencies that are not County departments (i.e., MTA, Foothill Transit). This information includes County Counsel tort claims.
3. Amount Paid is the total of the transactions paid by coverage code in the fiscal year; amount includes indemnity and legal fees and expenses, regardless of occurrence date; does not include Reported But Not Paid (RBNP) or Incurred But Not Reported (IBNR) reserves.
4. Workers' Compensation paid does not reflect State of California Labor Code 4850 and Salary Continuation payments, which are shown separately.

CLAIM FREQUENCY BY CLAIM TYPE – FY 2021-22

In further demonstrating the impact of Workers' Compensation on the total risk management program, the graph below illustrates that Workers' Compensation accounts for over half of all claims.

Percentage of Claim Frequency by Claim Type -
FY 2021-22



CLAIM FREQUENCY (TOTAL NUMBER OF CLAIMS FILED) BY CLAIM TYPE FY 2019-20 THROUGH FY 2021-22

Claim Type ^{1,2}	FY 2019-20	FY 2020-21	FY 2021-22
Workers' Compensation	12,375	12,147	13,807
Vehicle Liability	1,149	805	819
Law Enforcement Liability	568	575	574
Employment Practices Liability	138	116	189
Other General Liability	3,022	2,255	10,540
Medical Malpractice	156	142	90
TOTAL	17,408	16,040	26,019

1. Total number of claims filed by fiscal year regardless of date of occurrence; count includes all suffixes.
2. Includes County Counsel tort claims, but not agencies that are not County departments (i.e., MTA, Foothill Transit).

Note: Increase in Other General Liability claims is due to the Dominquez Hills/Carson odor complaints.

The methods and activities of managing the overall Cost of Risk are outlined in the remainder of this FY 2021-22 Annual Report.

WORKERS' COMPENSATION PROGRAM

The County's self-insured Workers' Compensation Claim Administration Program is the largest such local governmental program in the State of California. As a mandated employer-funded social benefit program, it is responsible for administering approximately 32,000 open Workers' Compensation claims with over 13,400 new claims reported in FY 2021-22. Statutorily mandated benefits are delivered through processes established under four Third-Party Administrator (TPA) contracts, three Medical Management and Cost Containment contracts (MMCCs), and a Pharmacy Benefit Management (PBM) Network. CEO's Workers' Compensation On-Site County Representatives (OSCRs) aid TPA staff, County departments, and injured workers. In addition, OSCRs authorize high-value settlements and payment transactions, perform fiscal reconciliation services, and act as liaisons between departments, defense counsel, and TPAs. The Office of the County Counsel (County Counsel) staff and contracted defense attorneys provide legal support.

Workers' Compensation expenses are generally separated into three categories: 1) allocated benefit expenses [ABE]; 2) allocated loss adjustment expenses [ALAE]; and 3) unallocated loss adjustment expenses [ULAE]. ABE include medical benefits, salary continuation and temporary disability benefits, permanent disability benefits, and death benefits. Such expenses are charged to the Workers' Compensation claim file.

ALAE include non-benefit payments to contract law firms, investigation firms, and other ancillary service providers. These expenses are also charged to the Workers' Compensation claim file. ULAE include the cost of TPAs, MMCCs, County Counsel's Workers' Compensation Division staff, CEO Risk Management staff, State User Assessments, claims administration system, excess insurance, and other overhead charges required to administer or provide risk protection for the Workers' Compensation Program. Such expenses are not charged or allocated to individual Workers' Compensation claims.

Total Workers' Compensation expenses paid in FY 2021-22, excluding Labor Code Section 4850 and Salary Continuation benefits, were \$468 million. This represents a 14.5% increase in Workers' Compensation expenses from FY 2020-21, which totaled \$409 million. The annual increase is extraordinary as Workers' Compensation Program expenses had been stable for the prior 18 years.

DISABILITY



MANAGEMENT

BENEFITS

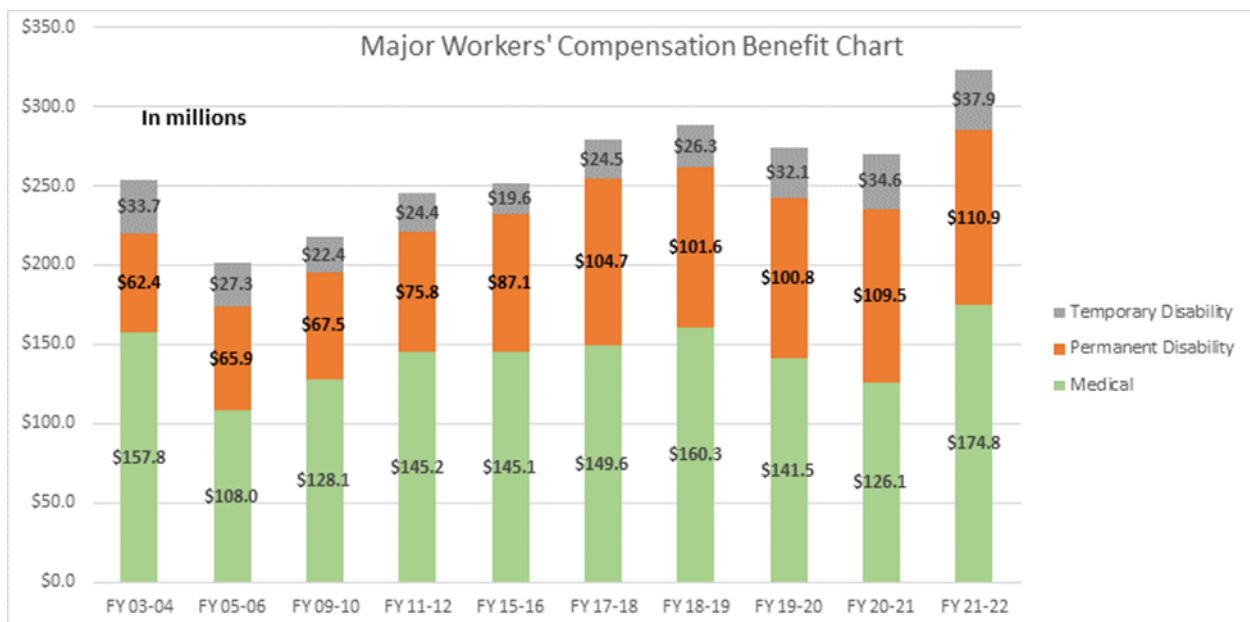
WORKERS' COMPENSATION PROGRAM—MAJOR ALLOCATED BENEFIT EXPENSES

In FY 2021-22, total medical expenses equaled \$174.8 million. This represents a 38.6% increase from the total medical expense of \$126.1 million experienced in FY 2020-21. The increase was partially due to medical facilities providing services delayed during the pandemic. Additionally, medical costs were impacted by a regulatory increase in payments to medical-legal reporting physicians. The regulatory increase to the California medical-legal fee schedule added an additional \$13 million to FY 2021-22 medical costs.

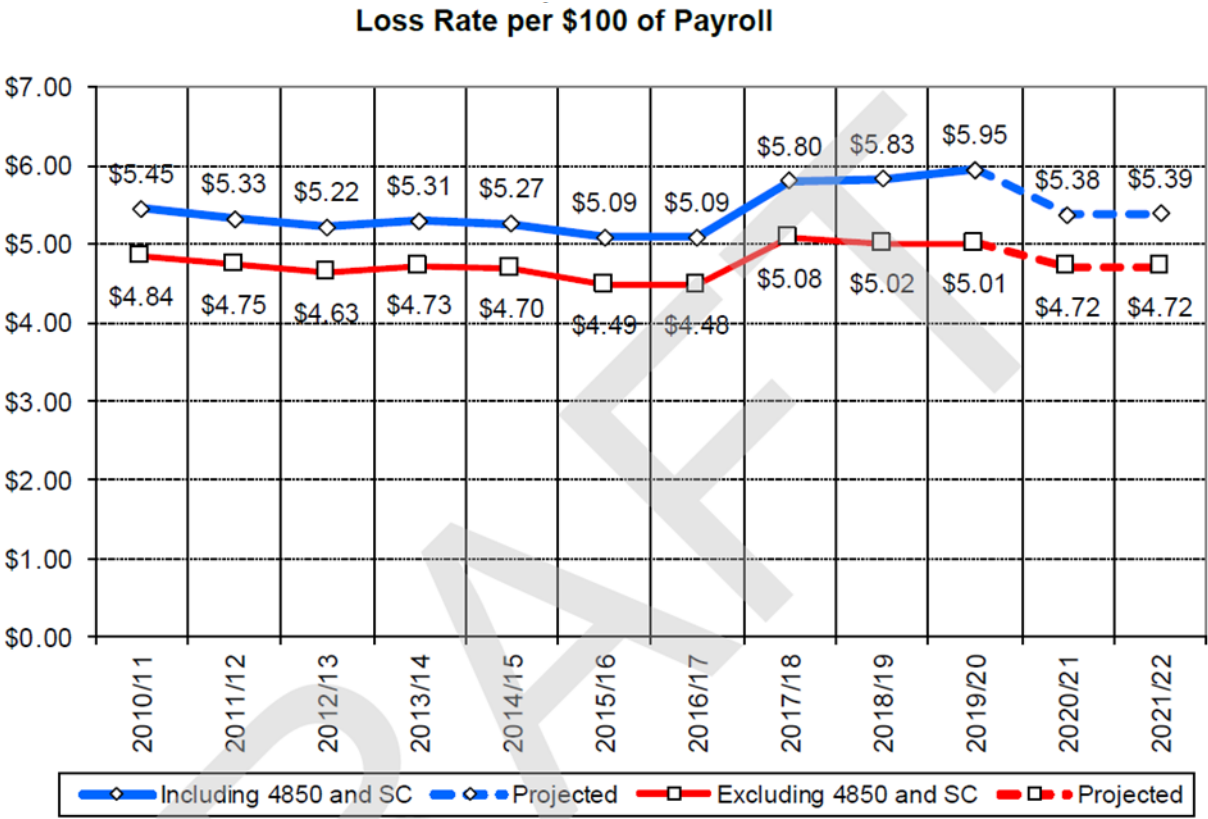
Temporary disability expenses increased from \$34.6 million in FY 2020-21 to \$37.9 million in FY 2021-22, an increase of 9.5%. This increase was driven by an unprecedented 13.5% increase in the State temporary disability rate. Salary continuation and Labor Code (LC) 4850 expenses (predominately driven by LC 4850 benefits) increased 21.8% from the \$133.4 million in FY 2020-21 to \$162.5 million in FY 2021-22. CEO Risk Management continues to believe the LC 4850 expense is driven by the demographic of an aging public safety population.

Permanent disability expenses increased 1.3%, from \$109.5 million in FY 2020-21 to \$110.9 million in FY 2021-22. CEO Risk Management believes future increases in permanent disability payments may stabilize as the full implementation of permanent disability rating and schedule established under Senate Bill (SB) 863 (legislative session 2011-12) is experienced. The experience will be impacted by the aging public safety population.

Changes to the permanent disability rating and payment schedule under SB 863 significantly increased an employer's exposure to Workers' Compensation disability payments. As an example, a firefighter with a presumptive industrial heart condition with a 40% whole person impairment would be entitled to \$87,835 in permanent disability prior to the passage of SB 863. The same exact disability under the SB 863 provisions will entitle that firefighter to \$206,307.50 in permanent disability and life pension benefits.



Workers' Compensation Program — Major Allocated Benefit Expenses
(Continued)



FINANCE

COMPENSATION

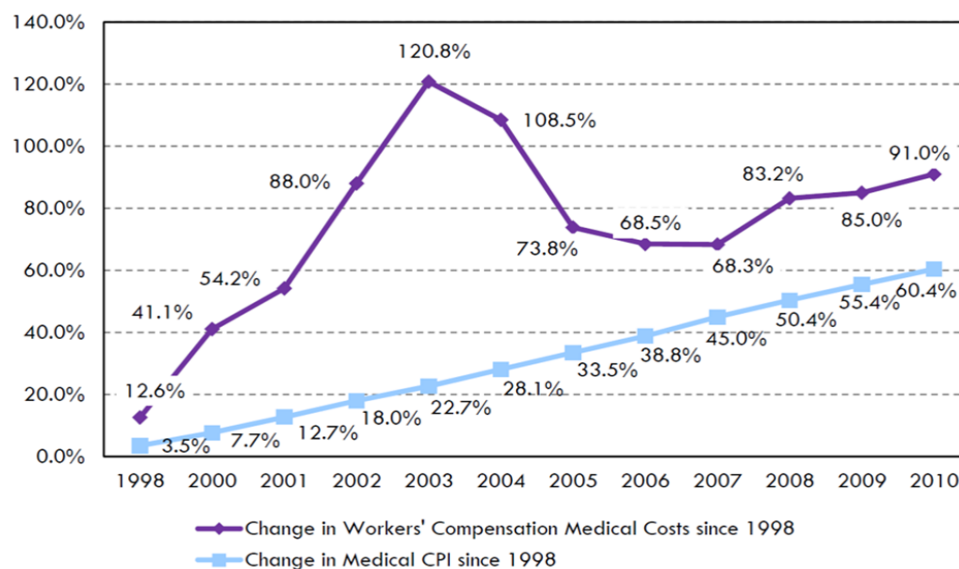


WORKERS' COMPENSATION PROGRAM—ALLOCATED AND UNALLOCATED LOSS ADJUSTMENT EXPENSES

Traditionally, the County Workers' Compensation Program's allocated and unallocated loss adjustment expenses account for approximately 20-22% of overall Program expenses. The ALAE and ULAE represent the legal, administrative, and operational costs to deliver balanced Workers' Compensation benefits. In FY 2021-22, the combined ALAE and ULAE represented 20.6% of Program expenses. This includes approximately \$4.9 million for excess insurance and \$1.8 million for the comprehensive RMIP. The County Workers' Compensation Program's allocated and unallocated loss adjustment expenses compare favorably to loss adjustment expenses experienced by California Workers' Compensation insurers and other self-insured employers. The California Commission on Health and Safety and Workers' Compensation (CHSWC) 2021 Annual Report reflected ALAE and ULAE accounted for 33% of overall Workers' Compensation systemwide expenses in calendar year 2020.

Over the last 18 years, County Workers' Compensation loss adjustment expenses have increased, in part, due to medical management cost containment strategies that include utilization review. CEO Risk Management believes California's implementation of evidence based medical guidelines have stabilized the Workers' Compensation inflationary trends experienced in the late 1990s and early 2000s. The graph below demonstrates the impact of Workers' Compensation legislation that became effective in 2004, and its impact on cost stabilization.

**WORKERS' COMPENSATION MEDICAL EXPENSES VS. MEDICAL INFLATION
SINCE 1998**

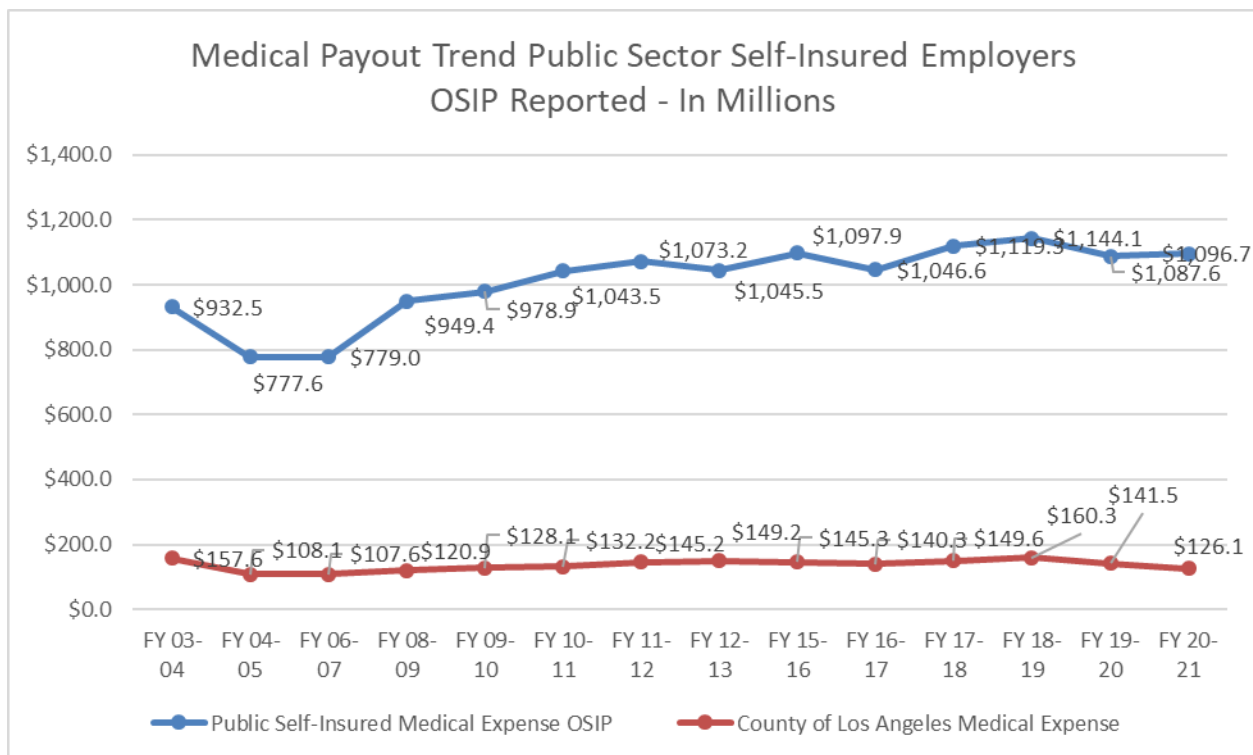


SOURCE: Commission on Health and Safety and Workers' Compensation – Data Source: WCIRB; Bureau of Labor Statistics

WORKERS' COMPENSATION — EXPENSES

The County Workers' Compensation medical spending has remained relatively stable as demonstrated by the chart below (as noted, FY 2021-22 reflected a significant cost in medical spending). The chart reflects aggregate public agency Workers' Compensation medical payment data (including the County's Workers' Compensation payment amounts) and the County's annual Workers' Compensation medical payments since FY 2003-04.

CEO Risk Management believes the significant decrease in Workers' Compensation medical cost experienced between FY 2003-04 and FY 2004-05 was a direct result of urgency legislation implemented to address the California "Workers' Compensation Crisis." Aggregate Office of Self-Insurance Plan (OSIP) FY 2021-22 payment information was not available at the time of the printing of this report.

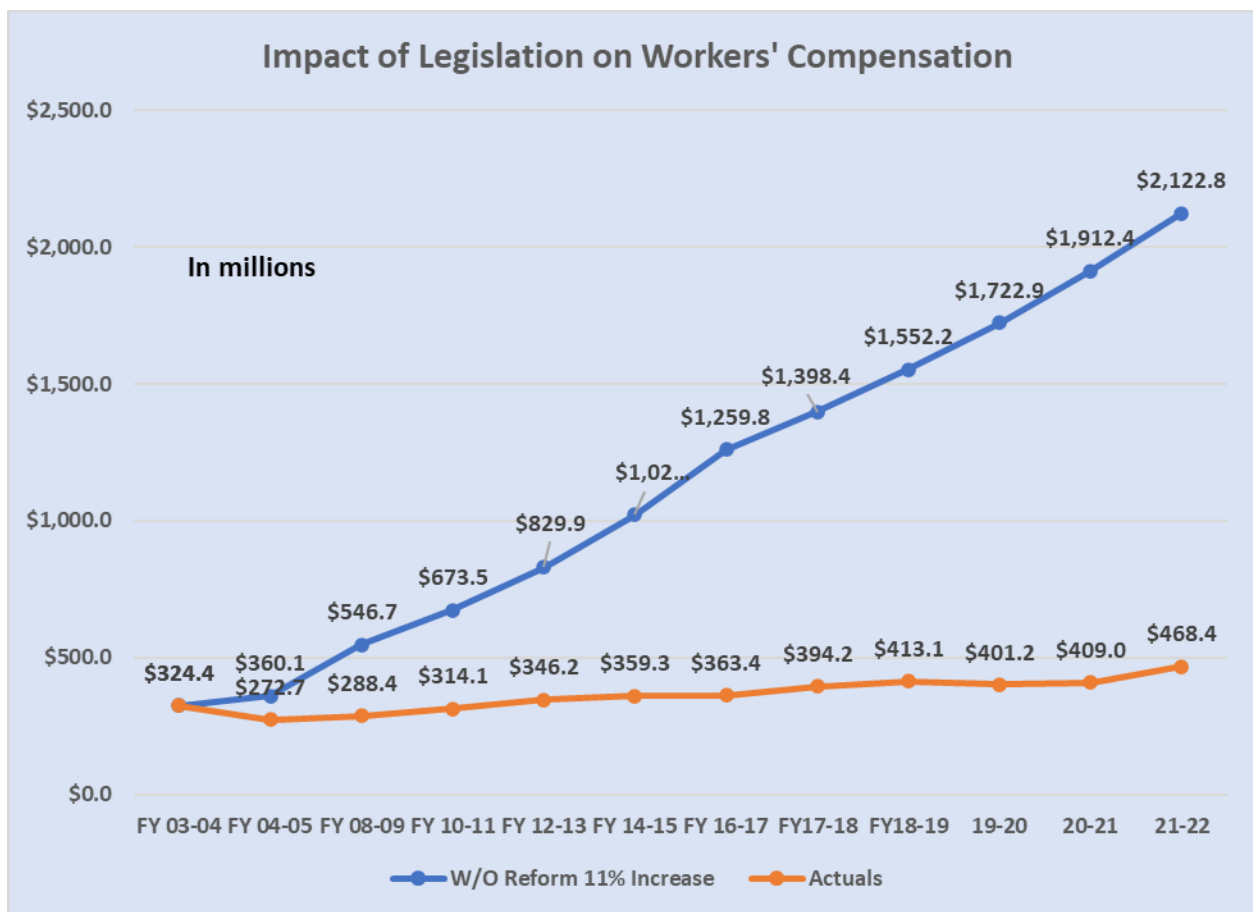


WORKERS' COMPENSATION — EXPENSES (CONTINUED)

From FY 1998-99 through FY 2002-03, the County's Workers' Compensation medical costs increased 133.8%. During that period, County Workers' Compensation Program costs, excluding salary continuation and LC 4850 benefits, experienced double-digit inflation.

The following chart estimates that escalation absent cost avoidance strategies afforded under the FY 2003-04 legislation compared to actual costs. FY 2021-22 actual costs contain a premium payment for excess insurance that did not exist in FYs prior to FY 2016-17. Regardless of the cost of this additional protection and the FY 2021-22 increase, the Workers' Compensation Program's annual increase since FY 2003-04 calculates to approximately 2% to 2.5%.

WORKERS' COMPENSATION EXPENSES (EXCLUDING SALARY CONTINUATION AND LABOR CODE 4850) COMPARISON - ESTIMATED WITHOUT REFORM AND ACTUAL EXPENSES



WORKERS' COMPENSATION — MEDICAL MANAGEMENT COST CONTAINMENT AND OUTSTANDING LIABILITIES

Medical Management Cost Containment

In FY 2021-22, medical expenses were the largest, single component of the County's Workers' Compensation Program costs. During FY 2021-22, the Program received approximately 520,895 (increase of 29.9% over FY 2020-21) bills accounting for 1,564,487 lines of procedures, services, or supplies from medical service providers. Such bills were for medical services to treat injured workers that included inpatient hospital services, nursing care, surgery, physician visits, physical therapy, chiropractic care, durable medical equipment, and drug therapy. Each bill is reviewed to ensure charges are paid at or below the State Official Medical Fee Schedule.

The County's Workers' Compensation Program applies utilization review (UR) processes to assess certain physician treatment requests. UR is the process used by California Workers' Compensation insurers and administrators to determine if requested medical care is consistent with the California Medical Treatment Utilization Schedule. CEO Risk Management and MMCC staffs collaborate with respected physicians to determine reasonable utilization review triggers to ensure medical treatment can be delivered in an unencumbered manner. The evaluation of UR triggers is an ongoing process and protocols are assessed periodically and influenced by physician prescribing patterns.

Outstanding Liabilities

As reflected in the Workers' Compensation Actuarial Study, the County Workers' Compensation Program's outstanding liabilities, as of June 30, 2022, were approximately \$3.41 billion (at a 50% confidence level). This represents an increase of 3% over the estimated outstanding liabilities of \$3.31 billion, as of June 30, 2021.

As of June 30, 2004, the actuarial study established future outstanding liabilities were \$2.63 billion (including the Courts) and, as of June 30, 2022, the outstanding liabilities were \$3.47 billion (including the Courts). This equates to an increase of 31% over an 18-year period. CEO Risk Management continues to evaluate various alternate risk techniques to stabilize exposures and expenses, including a loss portfolio transfer and lump-sum settlements for high exposure Workers' Compensation claims. During the last five FYs, the County Workers' Compensation Program processed approximately \$108 million in such settlements, which impacted approximately 3,280 claims and resolved an estimated \$237 million in ultimate potential exposure (this includes the settlement amount).

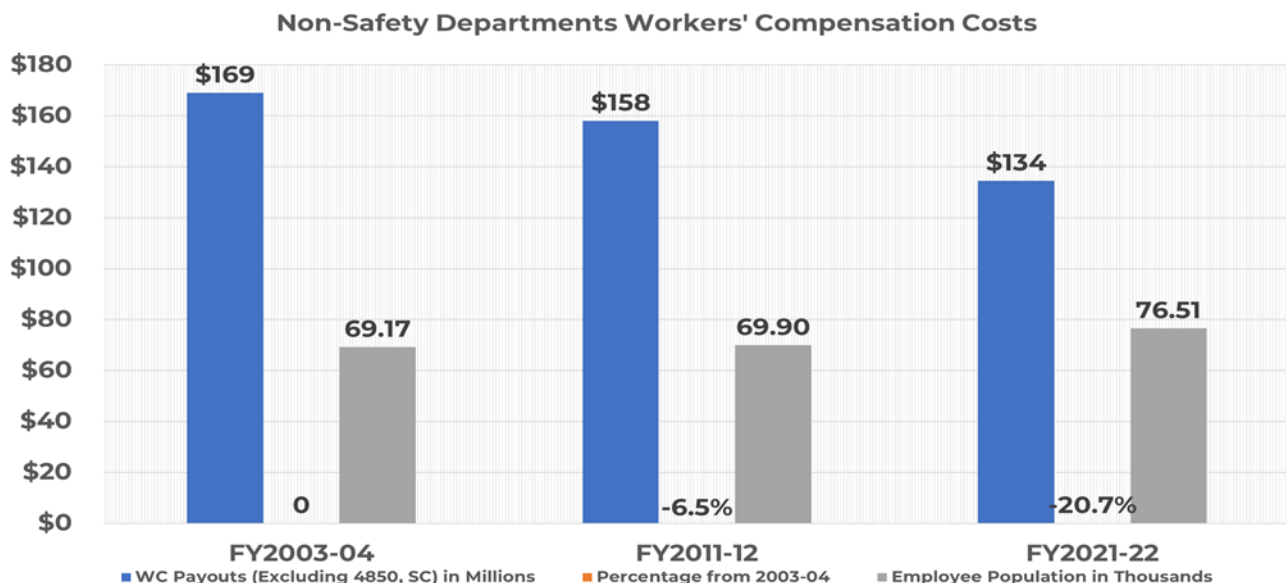
Actuarial analysis of the County Workers' Compensation Program's last 20 years of loss distribution reflects approximately 18.7% of Workers' Compensation claims account for 84.9% of the total incurred (paid to date and remaining reserves). Additionally, 19% of payments (excluding salary continuation/LC 4850) in FY 2021-22 were issued from claims older than 10 years. Overall, the actuarial study underscores the long-tail nature of Workers' Compensation exposures and expenses.

WORKERS' COMPENSATION — PUBLIC SAFETY DEPARTMENTS

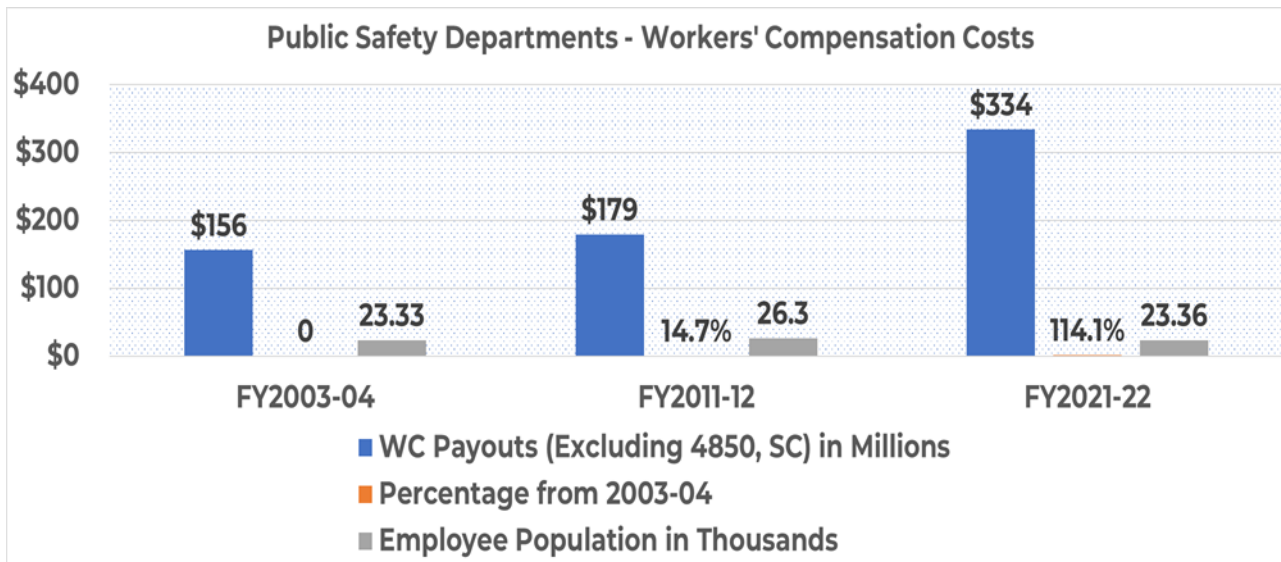
The nature of the job duties County employees perform significantly impacts Workers' Compensation Program expenses. Many County employees subject themselves to dangerous situations on behalf of the public. Those exposures and some of the presumptions afforded to public safety employees, because of such, are reflected in Countywide Workers' Compensation expenses.

The charts below demonstrate the association between County public safety departments (defined as Fire, Probation, Sheriff) and rising Workers' Compensation costs. As previously indicated, FYs 2003-04 and 2011-12 are notable because of the passage of significant legislation that impacted the California Workers' Compensation system. Those FYs were selected to show how such legislation impacted Workers' Compensation costs to County public safety and non-public safety departments.

While non-public safety departments (including the Courts) saw a 20.7% decrease in Workers' Compensation payouts over the last 18 years, safety departments saw significant increases. Those increases, a 114.1% increase since FY 2003-04, were significant enough to drive overall Workers' Compensation Program payout increases.

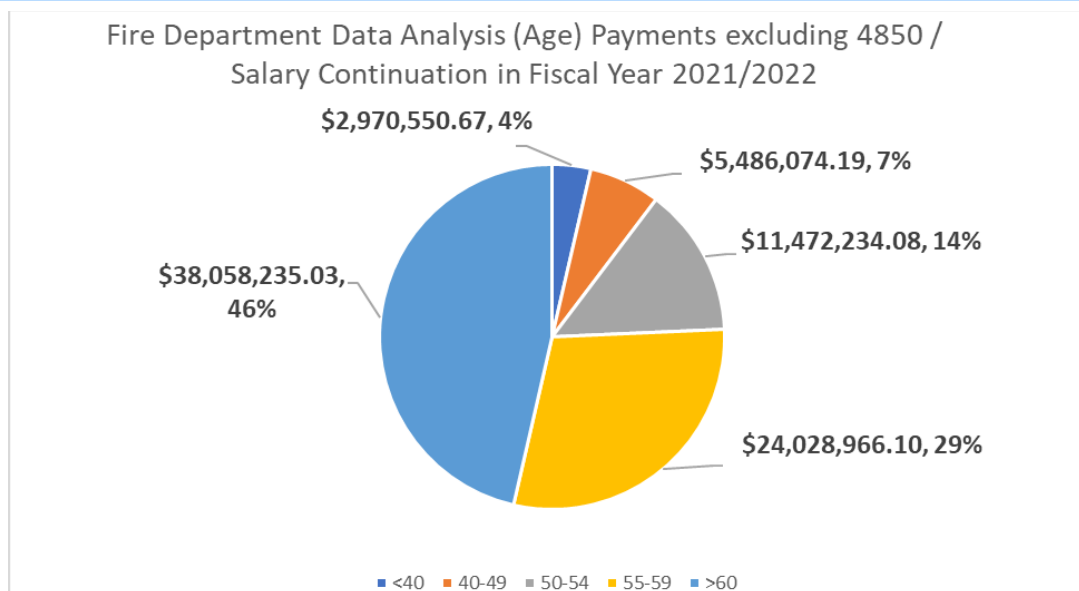


WORKERS' COMPENSATION — PUBLIC SAFETY DEPARTMENTS (CONTINUED)



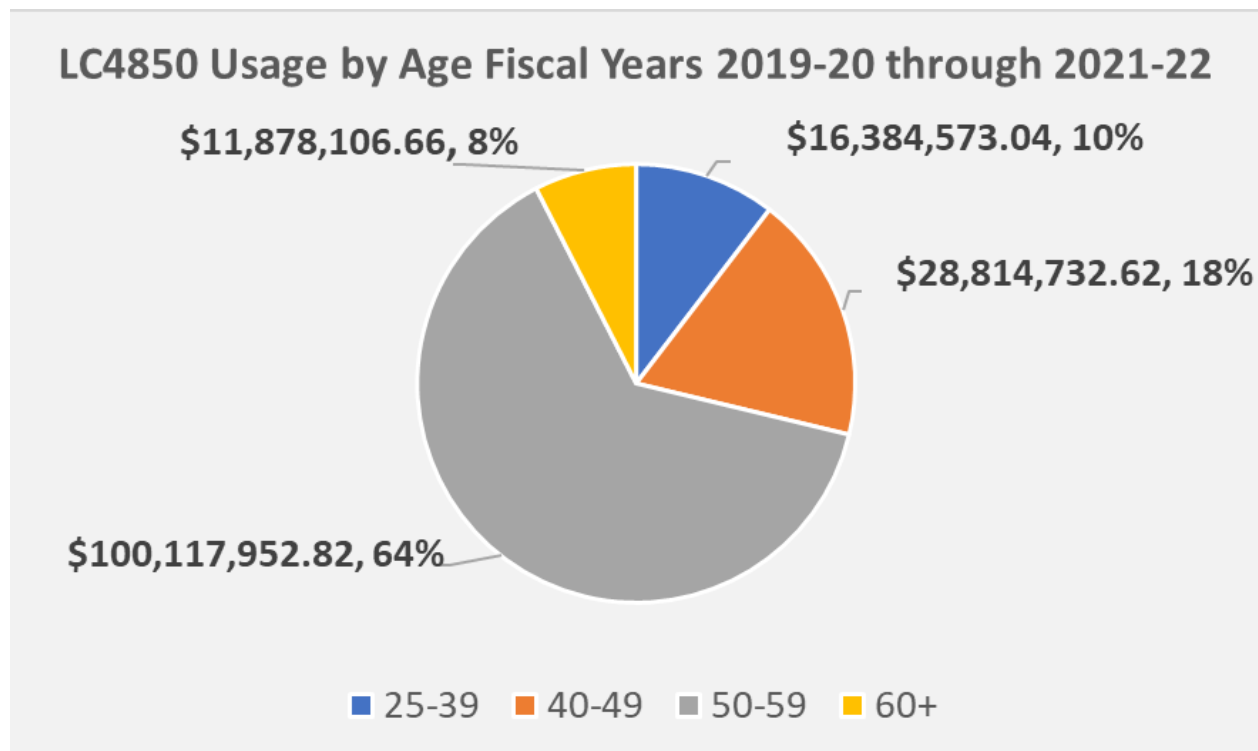
CEO Risk Management believes public safety Workers' Compensation expense increases are driven, in part, by an aging workforce that maximizes benefit utilization. For example, the number of Fire Department staff reporting Workers' Compensation claims between FY 2019-20 and FY 2021-22, was 5,175. Of these Workers' Compensation claims, approximately 47% were filed by individuals 50 years of age or older. In the 3-year period between FY 2004-05 and FY 2006-07, the number of reported Workers' Compensation claims was 3,952 with approximately 28% filed by individuals 50 years of age or older.

The relationship between age and Workers' Compensation benefit utilization is demonstrated by a review of Fire Department data. In FY 2021-22, approximately 89% of Workers' Compensation expenses (excluding LC 4850 and Unallocated Loss Adjustment Expenses) were paid on claims where the injured worker was 50 years of age or older.



WORKERS' COMPENSATION — PUBLIC SAFETY DEPARTMENTS (CONTINUED)

In the 3-year period between FY 2019-20 and FY 2021-22, Fire Department employees used approximately \$157.2 million in LC 4850 benefits. The chart below reflects that 72% of LC 4850 payments were made to employees 50 years of age or older. The percentage increases to approximately 83% for firefighters 45 years of age or older.



WORKERS' COMPENSATION — IMPACT OF COVID-19 PANDEMIC

Like many programs and operations, the pandemic has significantly impacted the County Workers' Compensation Program. Traditionally, operations were brick and mortar with claims staff working on-site. Due to the pandemic and social distancing requirements, most claims staff and OSCRs are teleworking. This arrangement has promoted a movement away from paper processes and implementation of document management systems that enable staff to work remotely. Internal control processes have been maintained and the impact on injured workers and benefit delivery continues to be monitored.

As of June 30, 2022, there were 6,044 COVID Workers' Compensation claims filed. The total payout on those claims exceeded \$16.7 million with estimated total incurred costs of \$53.3 million.

HEALTH



CARE

Workers' Compensation Cost Trends and Influencing Factors

As indicated in the FY 2020-21 Chief Executive Office Risk Management Annual Report, cost escalation is driven by several factors:

- Increases in medical utilization as medical facilities performed procedures delayed due to the pandemic.
- Regulatory increase to the medical-legal fee schedule.
- Significant increase to certain indemnity payments effective January 1, 2022. The Labor Code requires the maximum and minimum weekly earnings upon which certain indemnity payments are based to increase by an amount equal to percentage increase in the State Average Weekly Wage (SAWW) compared to the prior year. In calendar year 2022, the SAWW increase was calculated at an unprecedented 13.5% (usual increases are 2% to 4%) and will influence future costs related to some temporary disability, life pension, permanent total disability, and death benefits.

CEO Risk Management will monitor the impact Senate Bill 1277 (effective January 1, 2023) has on public safety Workers' Compensation costs. CEO Risk Management believes the new statutes will increase cost and litigation.

WORKERS' COMPENSATION PROGRAM — SIGNIFICANT ACCOMPLISHMENTS FY 2021-22

- | | |
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| <ul style="list-style-type: none">• Continued to collaborate with County Counsel Workers' Compensation Division to mitigate costs associated with high exposure workers' compensation claims.• Continued to work with CEO Risk Management Finance and County Counsel to ensure the anti-fraud provisions and information provided by the Department of Industrial Relations is vetted and acted upon.• Continued to partner with the TPA to improve communication and customer satisfaction to injured workers.• Continued to evaluate, test, and recommend enhancements to the Workers' Compensation claim module of the comprehensive RMIP. | <ul style="list-style-type: none">• Continued to work with public and private sector employers to evaluate and influence Workers' Compensation legislation and regulation development to ensure such promotes the timely provision of benefits that is balanced with employee and employer needs.• Continued to assist the Fire Department with Workers' Compensation processes and access to medical care.• Developed and implemented a Workers' Compensation claimant portal for Fire's injured workers, intended to promote communication and resolve benefit delivery hurdles. |
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Workers' Compensation Program — Objectives FY 2022-23

- | | |
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| <ul style="list-style-type: none">• Evaluate, implement, and measure the ability to terminate long-term Workers' Compensation exposure through the full and final settlement of Workers' Compensation exposure through a Loss-Portfolio Transfer.• Assist Fire Department's Disability Management and Compliance Section (Fire DM) in retiring their current Workers' Compensation tracking system and leveraging the economies and capabilities of the Ventiv Claims Enterprise (VCE) system .• Assist Fire DM in developing a well-defined modified duty program that would expedite Workers' Compensation early return-to-work efforts and explore physician led physical work-hardening as a component of the program. | <ul style="list-style-type: none">• Continue to evaluate VCE robotic process automation capabilities to reduce resources related to mundane claims management tasks.• Explore implementation of a Workers' Compensation claimant portal Countywide, which allows injured workers access to limited information that promotes communication and resolves benefit delivery hurdles.• Continue to work with public and private sector employers to evaluate Workers' Compensation legislation, regulation development, and critical issues impacting the County Workers' Compensation Program.• Engage Fire Department's executive team to increase focus and influence on legislation that impacts their Workers' Compensation costs. |
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LIABILITY CLAIMS AND RECOVERY

The Liability Claims and Recovery Unit assists in overseeing administration services for incidents, claims, and lawsuits, for automobile, employment, general liability, medical malpractice, and hospital liability matters. These services are performed under contract by two TPAs, Carl Warren and Company (Carl Warren) and Intercare Holding Insurance Services (Intercare). In addition, CEO Risk Management staff represents the County in cases that are filed in the Superior Court Small Claims Division.

Carl Warren provides administration services for incidents, claims, and lawsuits, for automobile, employment, and general liability matters. In addition, Carl Warren provides County Counsel with litigation management and support services for automobile, general liability, employment, and social services matters. These services include tracking litigation costs and expenses, participating in roundtable meetings, and attending and/or monitoring legal proceedings.

Intercare is responsible for medical malpractice, hospital liability, and limited general liability incident reporting, claim administration, and litigation management support services. These services include early investigation that is defined as contractor-initiated activity resulting from the decision to set up a claim file, or the immediate recognition of extraordinary case circumstances. The activities include immediate contact with those employees, witnesses, and other individuals having any involvement in, or knowledge of, an incident.

Additionally, Intercare staff participate in roundtable meetings and present a medical/legal analysis of the incident and provide a recommendation on best resolution opportunities.

Liability Claims and Recovery staff work closely with County Counsel staff to ensure litigation management processes are operating efficiently and providing attorneys with required services. Staff review liability and medical malpractice claims weekly in triage meetings to identify high-exposure claims for monitoring. The triage meetings are attended by the County Risk Management Inspector General and Loss Control and Prevention staffs to ensure the information is shared with appropriate CEO Risk Management personnel.

Recovery is a critical component of the Liability Claims and Recovery Unit. Recovery staff focus efforts on identifying, analyzing, and implementing plans of actions necessary to pursue recoveries. These recoveries can result from asserting subrogation rights, protections afforded under contractual indemnification provisions, insurance contracts, contribution obligations, and identifying and pursuing responsible parties for damages and costs.

ACTIONS



LIABILITY CLAIMS AND RECOVERY (Continued)

LIABILITY CLAIMS

Though most liability claim type frequency remained stable, general liability claims saw an increase of 367% (see table below). This increase was caused by the filing of 7,037 environmental hazard claims. These claims were the result of an unprecedented incident occurring in September 2021, causing noxious odor in a stretch of the Dominguez Channel near the City of Carson. County Counsel, Carl Warren, and Liability Claims and Recovery staff partnered to address the multitude of claims arising from this emergent situation. CEO Risk Management believes the filing of such claims began to stabilize in the second quarter of FY 2022-23.

RECOVERY



COST

Claim Type Frequency	FY 2019-20	FY 2020-21	FY 2021-22
Vehicle Liability	1,149	805	819
Law Enforcement Liability	398	575	574
Employment Practices Liability	138	116	189
Other General Liability	3,192	2,255	10,540
Medical Malpractice	156	142	90
TOTAL	5,033	3,893	12,212

Medical Malpractice claims saw a decrease of reported claims from 142 in FY 2020-21 to 90 in FY 2021-22. This represents a decrease of approximately 37%. The communication and optimal resolution process (CANDOR) was implemented on 22 claims. Six of those claims settled with legal and cost expense avoidance estimated at \$100,000 per clam.

Primary Cause	Claim Count	Medical Malpractice Liability Causes
Bodily Injury Only Accident	25	27.8%
Procedure (including surgery)	6	6.7%
Diagnostic	26	28.9%
Wrongful Death	5	5.6%
Other	28	31.1%
Total	90	100.00%

LIABILITY CLAIMS AND RECOVERY (Continued)

SMALL CLAIMS UNIT

The Small Claims Unit represents the County in cases filed in the Superior Court Small Claims Division. The Unit also administers lost or stolen property claims filed against the departments of Health Services and Sheriff. In FY 2021-22, the Unit represented the County in 67 small claims court actions and prevailed in 84% of the those.

The Small Claims Unit staff administer recovery efforts made on behalf of the Department of Public Works and assist in large property claims made against the County. In addition, the Unit provides reimbursement recommendations to line departments on claims related to the County's mileage permittee program.

RECOVERY UNIT

A fundamental function of the Recovery Unit is to identify opportunities to recover funds from various sources. As indicated, those sources include parties that are totally or partially responsible for the loss, insurance, and contractual indemnification obligation. To maximize outcomes, the Recovery Unit partners with TPAs, insurance claims experts, and County Counsel staff to ensure the County's recovery rights are protected.

Workers' Compensation subrogation rights are outlined in the California Labor Code. The Recovery Unit developed procedures to maximize subrogation identification and recovery. This includes coordinating efforts with the Workers' Compensation TPA, contract law firms, and CEO Risk Management staff. In FY 2021-22, there was \$968,672 in Workers' Compensation recovery. Additionally, the Workers' Compensation Program recovered \$686,913 in refunds/overpayments and \$508,930 in excess insurance recovery.

In FY 2021-22, there were combined recoveries of \$19,336,666 on the Liability Program. This was driven, in part, by the aviation insurance recovery of \$16,575,000. This recovery related to the Sheriff's helicopter AR5 crash that occurred on March 19, 2021.

RESOLUTION



ACTION

LIABILITY CLAIMS AND RECOVERY—ACCOMPLISHMENTS FY 2021-22

- | | |
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| <ul style="list-style-type: none">• Continued to assist in the administration and management of liability and medical malpractice/hospital liability claims.• Continued to monitor and enhance, as needed, VCE Module 1 – Liability Claims.• Continued to collaborate with RMIG staff to ensure costly and sensitive claims are identified as early as possible. | <ul style="list-style-type: none">• Continued to work with County Counsel staff to ensure litigation management processes are robust and effective.• Participated in the selection and recommendation of a Medical Malpractice and Hospital Liability Claims TPA.• Responded to the urgent claims administration and litigation management needs caused by the Dominguez Channel noxious odor incident. |
|--|---|

LIABILITY CLAIMS AND RECOVERY—OBJECTIVES FY 2022-23

- | | |
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| <ul style="list-style-type: none">• Staff critical vacant positions caused by retirements.• Explore an organizational restructure to optimize efficiency and effectiveness.• Work with CEO Risk Management Fiscal to ensure sound fiscal policies are identified and implemented.• Collaborate with County Counsel staff to leverage existing processes related to recovery identification and pursuit.• In conjunction with the CEO Contracts Unit, release a Request for Proposals for an Automobile and General Liability and Legal Defense Management Services contract. | |
|--|--|

TREND ANALYSIS

WORKERS' COMPENSATION

CAUSES OF INCIDENTS

The County employs over 100,000 employees with diverse occupational exposures and thousands of job descriptions. While each department has hazards that pose specific risks to its employees, the overall exposure in FY 2021-22 can be summarized into the following six classifications for approximately 88.3% of the injuries sustained by County employees.

ASSAULT (12.0% of all claims)

Assaults include all aspects of a third party combating with County employees. Departments with the majority of assaults include: Sheriff (63.0%), Probation (18.5%), and Health Services (15.1%).

CUMULATIVE TRAUMA/BODILY INJURY (14.5% of all claims)

Cumulative trauma and bodily injury include injuries that are sustained over time due to the repetitive motion of the work performed on the job. Departments with the most cases include: Sheriff (40.9%), Fire (17.0%), Health Services (13.9%), and Public Social Services (6.2%).

EXPOSURE (27.1% of all claims)

This category includes exposure to physical hazards which involves particulates, fumes, and chemicals; environmental exposure including heat, cold, sun, and noise; and biological hazards including blood, body fluids, viral, and bacterial exposures. Departments with the most exposure cases include: Sheriff (73.2%), Fire (14.0%), and Health Services (7.2%). This includes most COVID-19 claims.

OVEREXERTION (21.1% of all claims)

Overexertion includes those that involve strain or injuries due to lifting, carrying, pushing, or pulling. Departments with the most cases include: Fire (28.8%), Sheriff (28.1%), Public Social Services (11.0%), and Health Services (8.1%).

STRUCK BY/OR AGAINST (5.7% of all claims)

This category includes injuries resulting from being struck/crushed by a human, animal, or inanimate object, or by force that is not vehicle related. Additionally, this can include injuries caused by striking against something or someone, or from flying or falling objects. Major Injury Cause categories include: Struck or Injured By, Rub or Abraded By, and Struck Against or Stepping On. Departments with the most cases include: Health Services (29.0%), Sheriff (17.5%), and Fire (14.5%).

FALL, SLIP, OR TRIP (7.8% of all claims)

This category includes falling down in the office environment which includes stairs, chairs, escalators, elevators, and over various floor surfaces. Externally, this includes falling from vehicles, ladders, rooftops, and surfaces in parking lots, sidewalks, and in rough terrain. Departments with the most cases include: Sheriff (30.5%), Health Services (24.1%), and Fire (12.7%).

OTHER (11.7% of all claims)

This category includes all other causes, including, but not limited to: presumptive injuries, cardio-vascular-related injuries, caught in or between injuries, and transportation-related injuries. Departments with the most cases include: Sheriff (57.8%), Health Services (25.1%), and Fire (5.2%).

TYPES OF WORKERS' COMPENSATION CLAIMS BY DEPARTMENT

Types of Claims by Department:					
	Fire	Health Services	Probation	Public Social Services	Sheriff
Assault	0.3%	13.0%	48.6%	1.6%	15.3%
Cumulative Trauma	16.7%	14.4%	6.9%	19.8%	12.1%
Exposure	25.6%	13.9%	5.8%	4.7%	40.1%
Fall, Slip, or Trip	6.7%	13.4%	9.9%	14.0%	4.8%
Overexertion	41.0%	12.2%	19.5%	50.2%	12.0%
Struck By/Or Against	5.0%	5.0%	3.8%	5.3%	1.8%
All Other Claims	4.8%	28.0%	5.6%	4.4%	13.9%
	100.0%	100.0%	100.0%	100.0%	100.0%
Top six types of claims account for 86.4% of all claims in FY 2021-22.					

PREVENTION

MEDICAL



CARE

AVOIDANCE

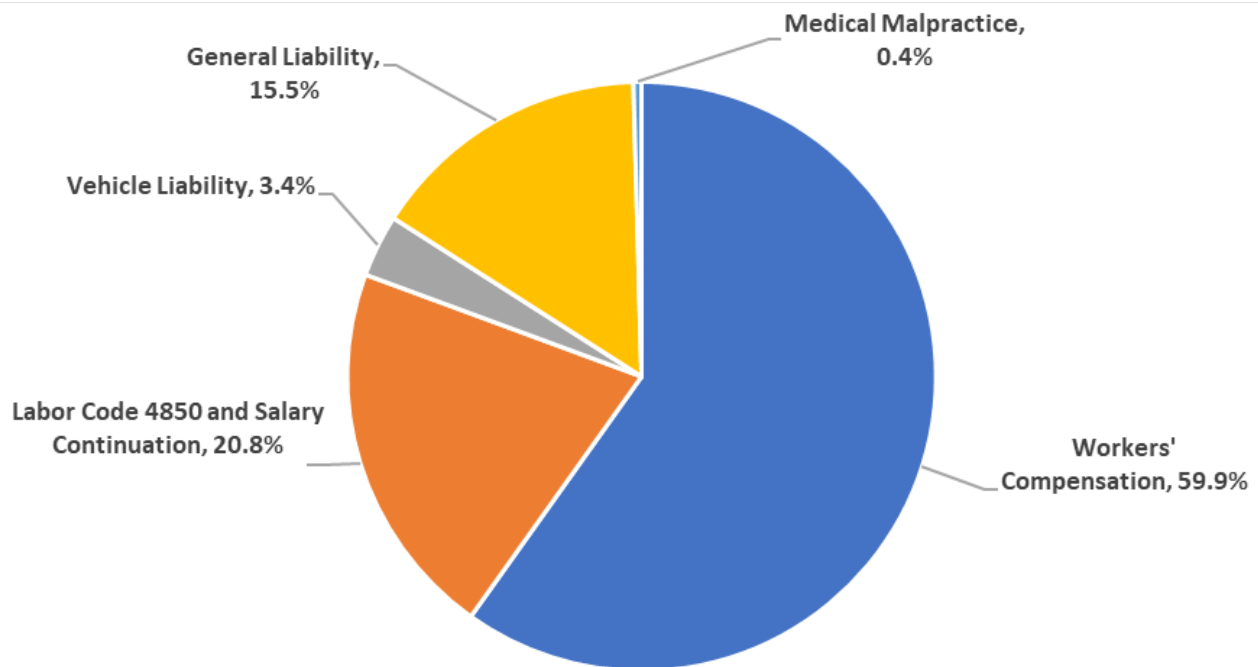
LIABILITY CAUSE ANALYSIS

The operations and functions of the departments expose the County to several risk factors that result in liability. While each department has risks specific to their operation, the overall exposure can be summarized into five liability classifications:

- 1) Employment Practices Liability
- 2) Law Enforcement Liability
- 3) Medical Malpractice
- 4) Other General Liability
- 5) Vehicle Liability

Liability exposures account for 19.4% of the County's Total Cost of Risk.

Total Cost of Risk as illustrated in the chart below.

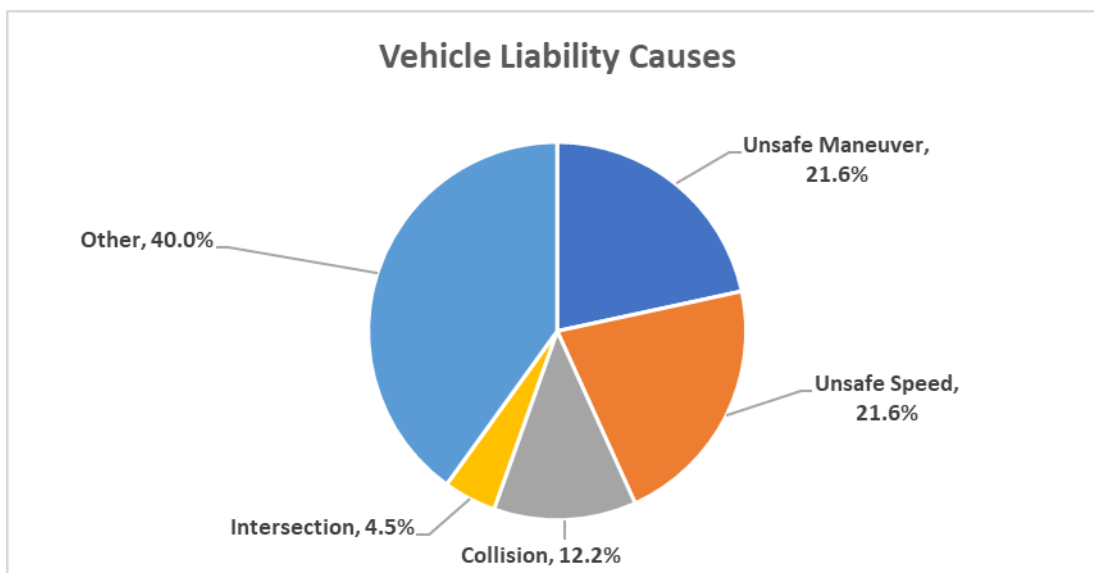
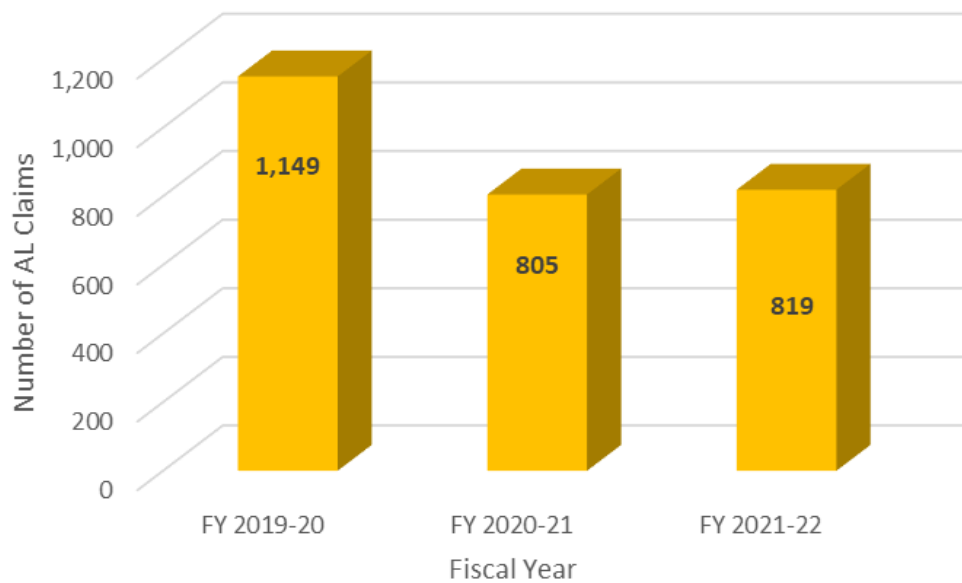


VEHICLE LIABILITY CLAIMS

The County's Vehicle Liability frequency increased 1.7% from FY 2020-21 to FY 2021-22. The cost of Vehicle Liability claims increased by approximately 70.3% during the same time period.

Data shows there were increases in all types of Vehicle Liability accidents in FY 2021-22. Unsafe maneuvers and unsafe speeds account for about a third of all accidents.

Vehicle Liability represents approximately 3.4% of the County's Total Cost of Risk.



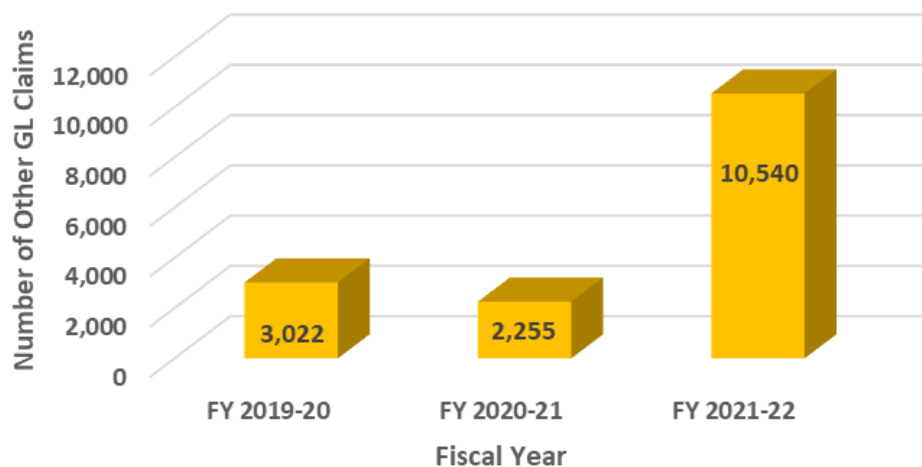
OTHER GENERAL LIABILITY CLAIMS

Other General Liability includes all claims filed against the County that are not classified as Employment Practices, Medical Malpractice, Vehicle, or Law Enforcement. This includes dangerous conditions and property-related claims. Claims in this category also include non-tort claims, which include taxation, elections, redevelopment, and billing disputes.

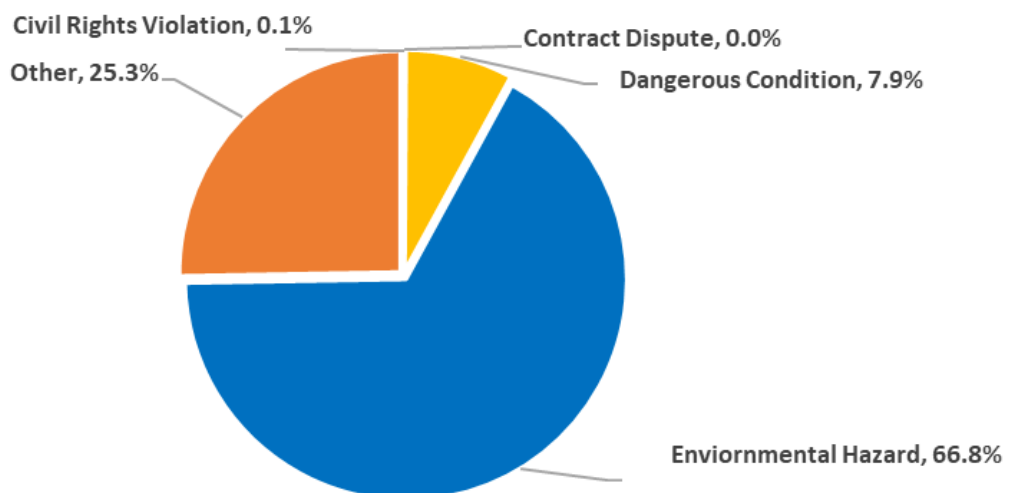
The Other General Liability frequency increased by approximately 367.4% from FY 2020-21 to FY 2021-22.

Other General Liability represents 4.9% of the County's Total Cost of Risk.

Other General Liability Claims Frequency Trend



Other General Liability Causes

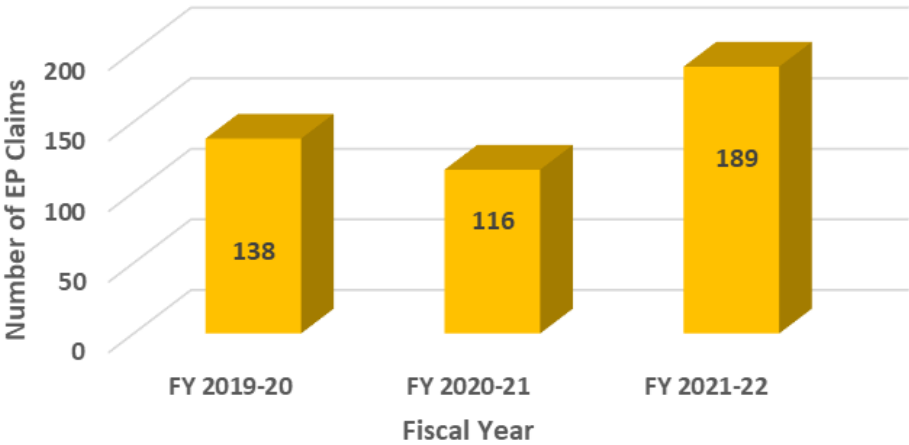


EMPLOYMENT PRACTICES LIABILITY CLAIMS

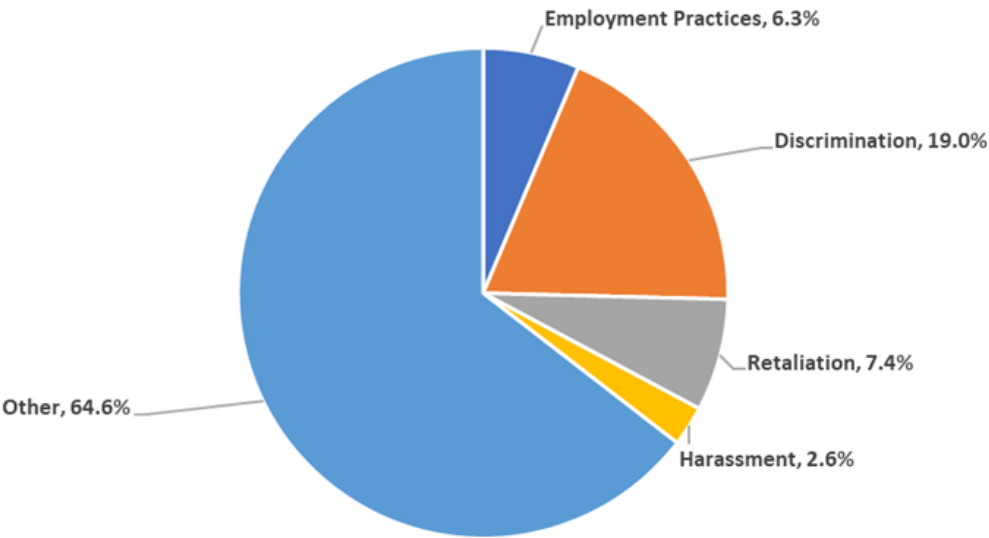
The County’s Employment Practices Liability frequency increased by 62.9% from FY 2020-21 to FY 2021-22. The County’s overall Employment Practices Liability expenses increased by 48.1%.

Employment Practices Liability represents 3.2% of the County’s Total Cost of Risk.

Employment Practices Liability Claims
Frequency Trend



Employment Practices Liability Causes



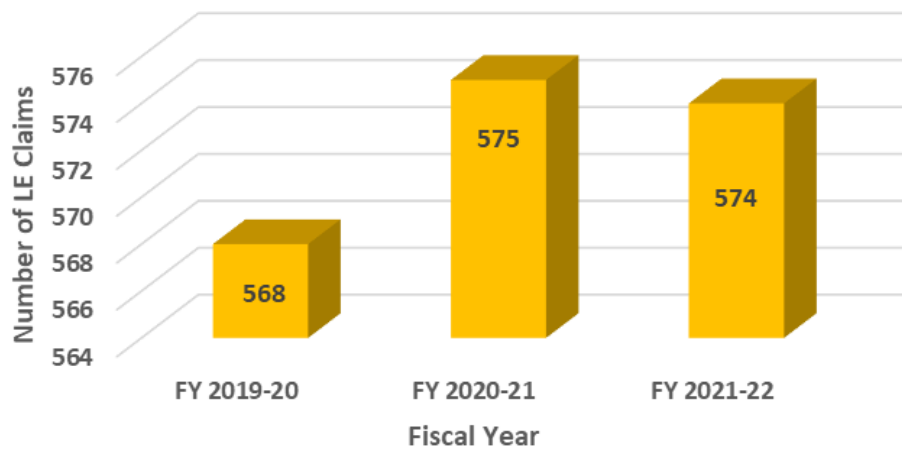
LAW ENFORCEMENT LIABILITY CLAIMS

The County's Law Enforcement Liability frequency rate decreased by 0.2% for FY 2021-22, compared to the previous FY, and paid expenses increased by 65.2%.

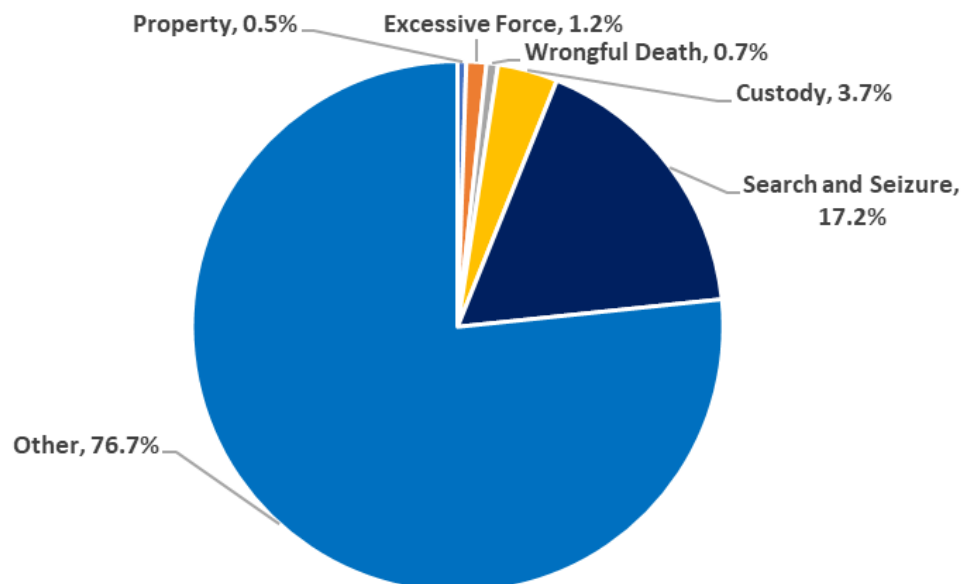
The most prevalent claims were for "Search and Seizure" and "Custody," which represent 17.3% and 3.7%, respectively.

Law Enforcement Liability represents 7.4% of the County's Total Cost of Risk.

Law Enforcement Liability Claims Frequency Trend



Law Enforcement Liability Causes

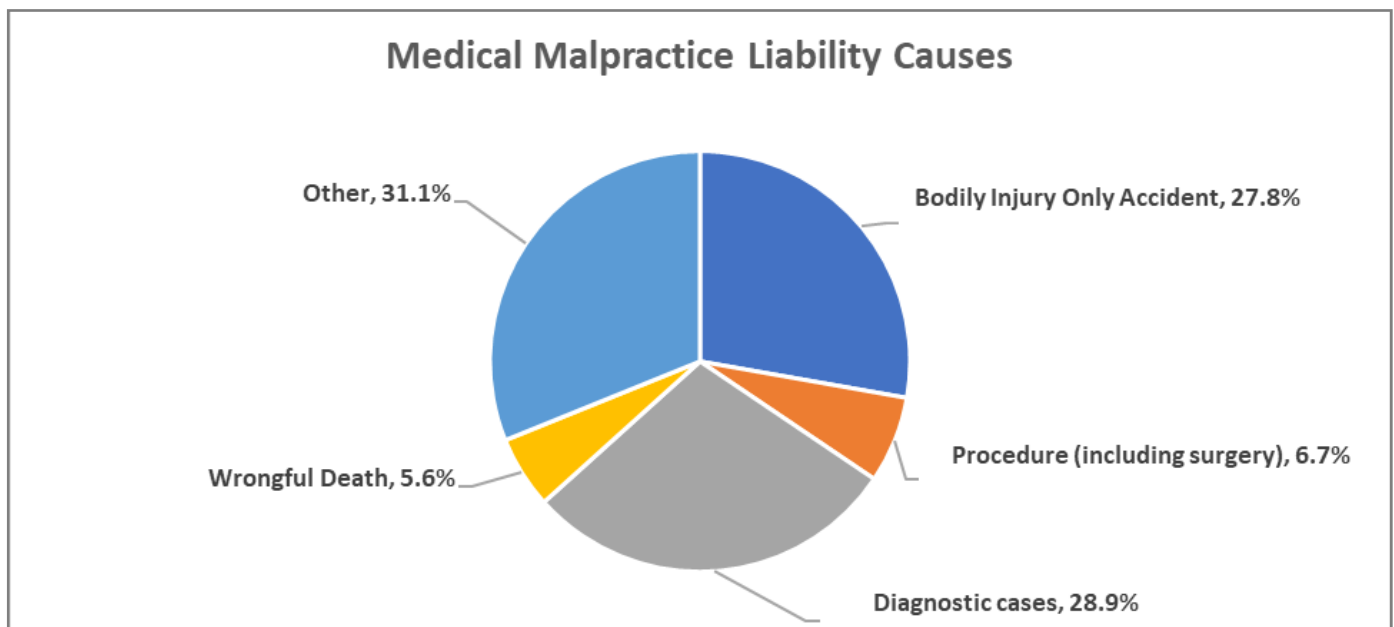
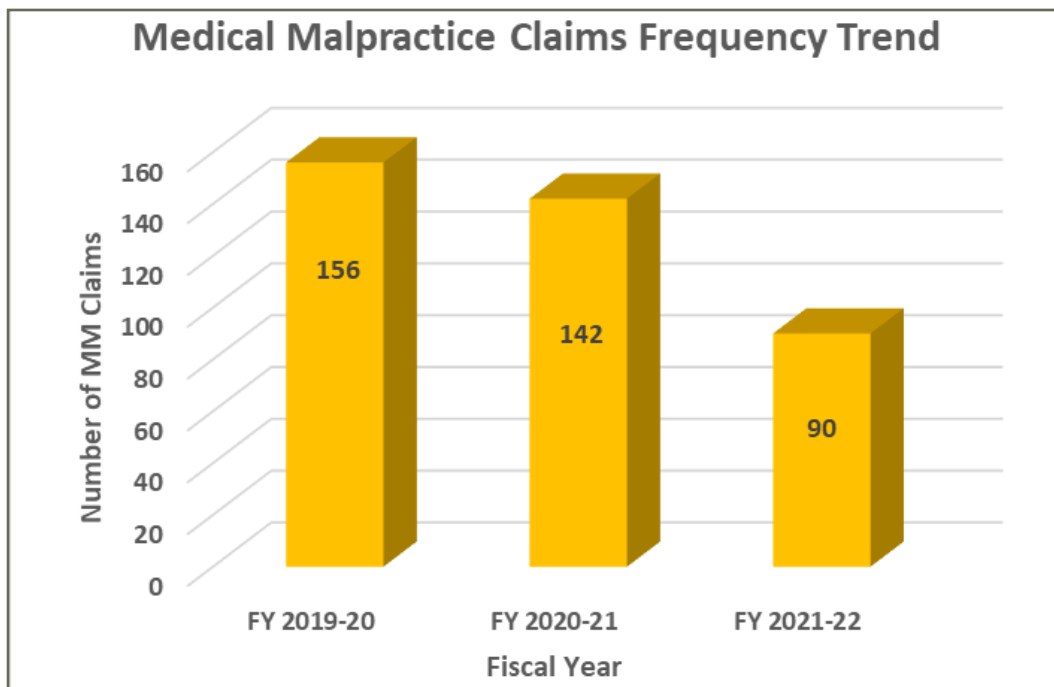


MEDICAL MALPRACTICE CLAIMS

Medical Malpractice Liability loss is attributable to various departments; however, the majority of the loss is related to care in hospitals. Hospital exposures are those related to patient contact; therefore, the more patients seen, the more probability that claims will arise.

The County's Medical Malpractice Liability overall frequency decreased 36.6% from FY 2020-21 to FY 2021-22. The primary type of claim filed against the County was for procedures (including surgeries) and diagnostic cases.

Medical Malpractice Liability represents 0.4% of the County's Total Cost of Risk.



LOSS CONTROL AND PREVENTION

The Loss Control and Prevention (LCP) Unit provides risk analysis and consultative assistance to find effective solutions for root causes of loss and training for all departments to ensure a safe and healthful environment for County employees and the public. LCP's efforts focus on departments with high-risk activities; however, regular assistance/support is provided to all departments upon request. LCP's activities include the following:

- Evaluate proposed legislation involving liability and safety for applicability to County departments' operations.
- Coordinate Countywide Risk Management training efforts through biennial Risk Management Forums where forthcoming legislation and other issues are presented and discussed with affected County departments.
- Enhance and maintain the CEO Risk Management Internet site with new and updated material.
- Serve as subject matter experts on risk management and loss control issues involving California Occupational Safety and Health Administration (Cal/OSHA) inspections, inquiries, and informal conferences.
- Provide loss control consulting to departments to improve their programs, procedures, and policies relating to their risks and cost drivers.
- Establish County loss control and prevention standards and assist departments with their risk management and loss control needs.
- Address cost drivers associated with issues driving Workers' Compensation and tort liability costs, including vehicle, general, employment practices, and medical malpractice liability costs.
- Coordinate risk management and loss control efforts with County departments by participating or leading agendas with Risk Managers, Safety Officers, Return-To-Work Coordinators, and safety committees.
- Enhance loss control and prevention knowledge and capabilities within County departments through Health and Safety Coordinators meetings, webinars, participation in departmental safety and risk management committees, and Countywide education and training efforts, which include:
 - Development of training videos, courses, and related content for placement and distribution through the Joint Labor-Management Committee on Office Ergonomics website, Learning Net, and Risk Management University.
 - Create safety bulletins, best practices, and frequently asked questions on pertinent loss control issues, including new or amended regulations or current issues affecting the County.

LOSS CONTROL AND PREVENTION — SIGNIFICANT ACCOMPLISHMENTS FY 2021-22

Loss Control and Prevention focused efforts on departmental frequency and severity drivers through the development and implementation of training programs, policies, and guidelines, as well as field visits targeted to the source of risk. Other significant accomplishments include:

- Continued assisting County departments on compliance with new/emergency standards, regulations, and Senate Bills requirements, as well as on existing standards in a more diverse and dynamic work environment resulting from the COVID-19 pandemic.
- Provided over 600 consultations to departments on a variety of issues, including COVID-19 precautions and compliance, ergonomics and telework, risk assessments, data analysis and interpretation, Cal/OSHA compliance, occupational health and safety, liability, and Corrective Action Plan development.
- Actively worked with County departments, subject matter experts, and vendors to coordinate training video development to enhance the educational opportunities on CEO Risk Management's education library.
- Coordinated Health and Safety Coordinators meetings attended by over 500 County Risk Managers, Safety Officers, Human Resources personnel, and others with safety responsibilities.
- Participated in Countywide and departmental safety and risk management committees which provided networking opportunities for risk management personnel in social services departments.
- Served as subject matter experts in the recruitment, screening, and interview process for potential risk management staff at County departments.
- Enhanced the standard product list for ergonomic equipment used by the County's Workers' Compensation TPAs as part of an integrated cost containment strategy related to ergonomic evaluations for Workers' Compensation cases.

MITIGATION

CONTROL



LOSS CONTROL AND PREVENTION — OBJECTIVES FY 2022-23

To aid departments in their efforts to reduce overall trends, LCP will focus on the following:

Regulatory Compliance and Operational Effectiveness

- Monitor new or revised safety-related regulations and provide impacted County departments with regular updates through safety bulletins, trainings, and other related meetings to ensure compliance.
- Continue to advise departments on COVID-19 regulatory compliance related to new or revised standards, Senate Bills, or other related legislation.
- Work with departments to ensure their Occupational Safety and Health programs are revised and effective through regular meetings with departmental risk management staff and analysis of risk management related loss data.

Telework and Ergonomics Compliance

- Provide departments with guidance on the County's responsibilities related to ergonomics and telework assignments.
- Engage with County departments through meetings, webinars, and other opportunities to ensure telework and ergonomics policies, procedures and guidelines are in adherence with regulatory requirements and established best practices.
- Enhance the Joint Labor-Management Committee on Office Ergonomics website to include information on telework, self-assessment evaluation software, and training opportunities.

Maintaining Department Awareness of COVID-19-Regulatory Requirements

- Relay training and other informational opportunities to departmental contacts from both internal and external sources.
- Serve as liaison between County departments in multi-tenant locations to ensure each department's efforts work in unison with each other, maximizing effectiveness and reducing redundancies.

EFFECTIVENESS

EFFICIENCY

SCOPE

RISK MANAGEMENT INSPECTOR GENERAL

The role of the Risk Management Inspector General (RMIG) is multi-faceted; first, is responsible for assisting County departments in the development and approval of Corrective Action Plans (CAPs) and Summary Corrective Action Plans (SCAPs); second, it uses the information from CAPs and SCAPs to foster liability loss control measures. Finally, RMIG collaborates with departments, CEO Risk Management's Liability Claims, and County Counsel to meet the mandates established by the Board. This includes the requirement of all County departments to include a SCAP approved by RMIG as part of any claim settlement over \$100,000.

Accordingly, RMIG manages CAPS and SCAPS through the following processes that incorporate all of the elements of loss control, claims management, and Board mandates:

- Weekly review of all liability claims entered in the claims system to determine early intervention, prevention, and containment efforts.
- Conduct detailed analysis of liability incident reports, claims, significant incidents, and adverse events, including monitoring adverse verdicts and items reported through various sources.
- Consult with departments and assist with their development of remedial corrections, CAPs, and SCAPs.
- Assist in expediting claim settlements by pre-approving all CAPs and SCAPs prior to submission to the County Claims Board and/or the Board.

- Escalate requests for CAP and SCAP information through department management and the Board, as necessary.
- Conduct audits and investigations of liability issues at the direction of the Board, and/or those issues which RMIG deems appropriate.

RMIG participates in all cluster meetings (agenda and policy committees) which involve in-depth discussions of CAPs, SCAPs, and case facts. These cluster meetings are attended by Board Deputies, departments, CEO, and County Counsel. The purpose of the meetings is to brief the Board Deputies on all relevant information so they can brief the Board before final Board approval is sought for a case.

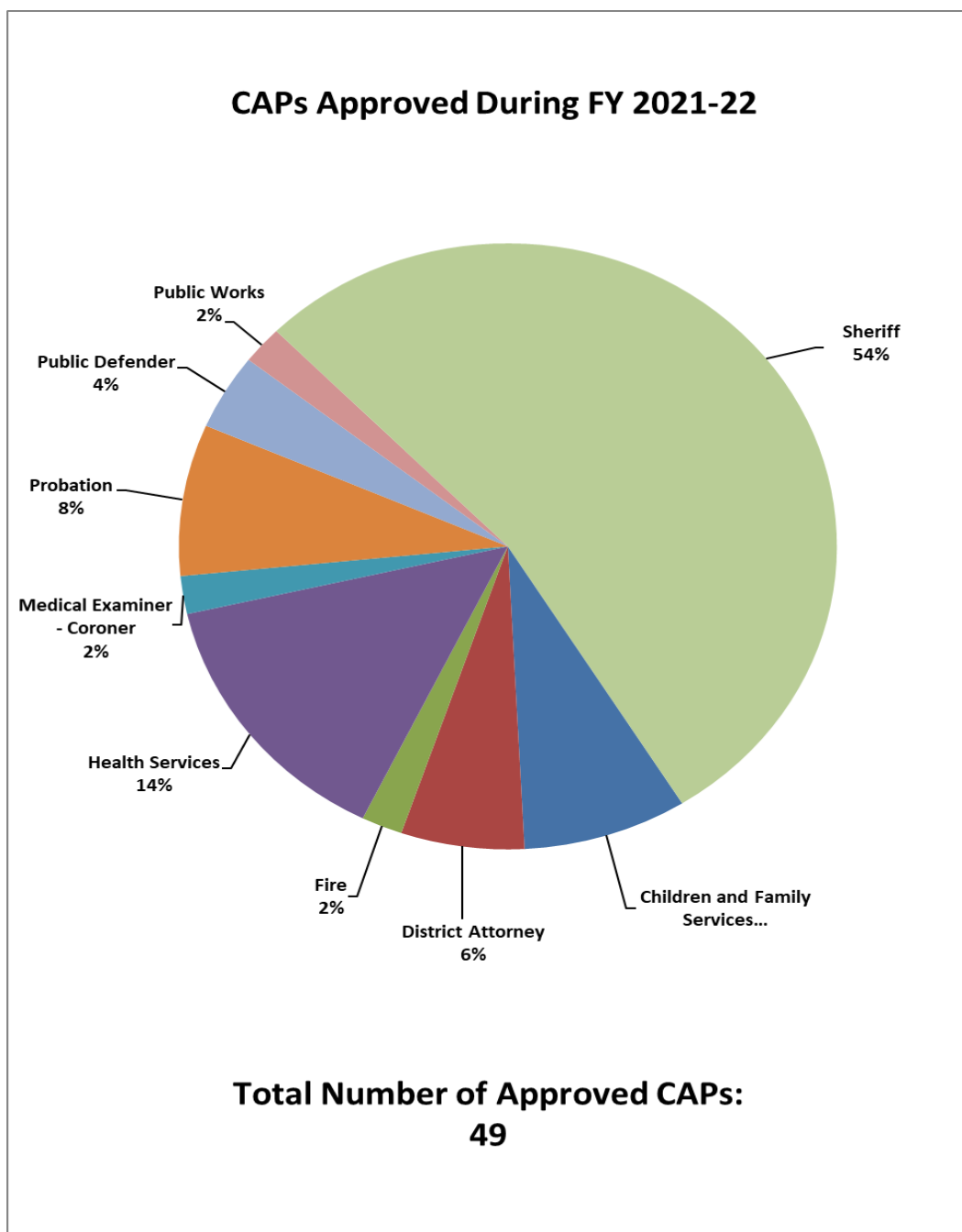
The number of CAPs approved by the Board during FY 2021-22 is illustrated on the next page.

AVOIDANCE



ACTIONS

CORRECTIVE



RISK MANAGEMENT INSPECTOR GENERAL — SIGNIFICANT ACCOMPLISHMENTS FY 2021-22

RMIG collaborated with the Board, County Counsel, and various departments to improve the timeliness of CAPs and SCAPs by creating an entire new CAP and SCAP process in 2015. From the date of the notice of settlement, departments have 90 days to submit a final CAP. Since the implementation of the new guidelines, a majority of the departments have met these new deadlines without challenges.

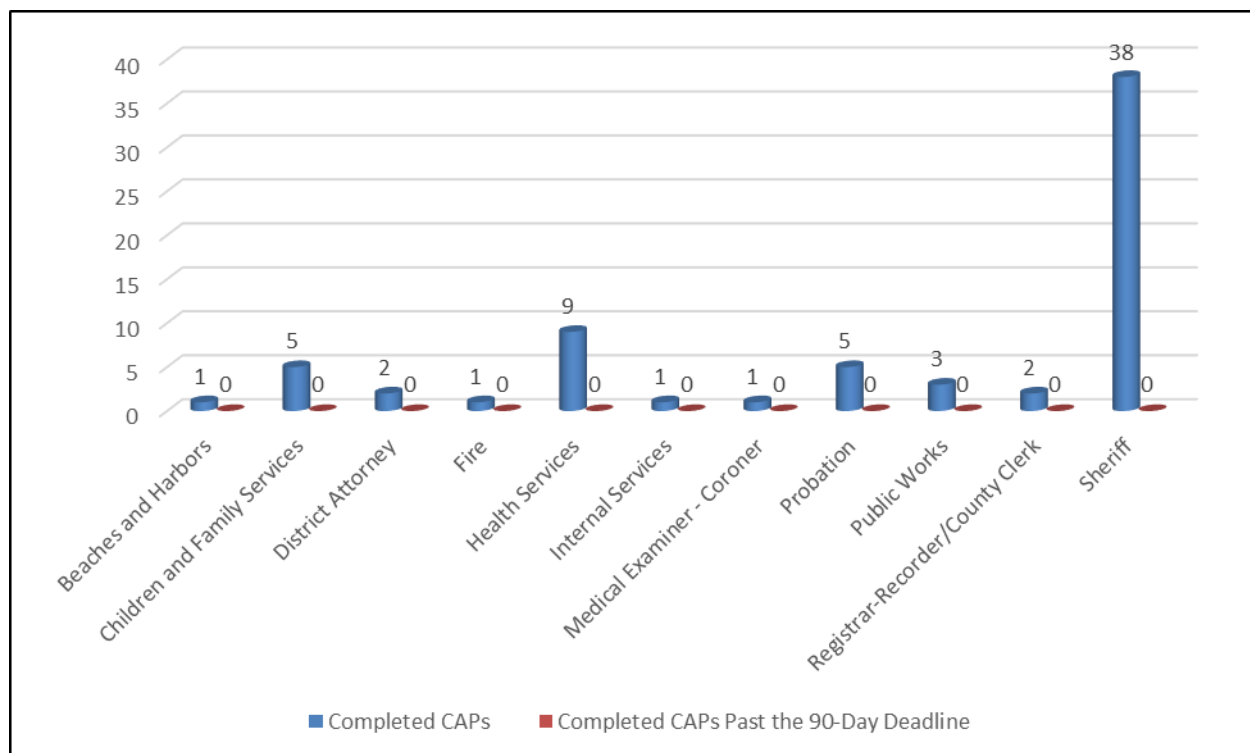
The chart below illustrates the number of CAPs completed within 90 days for FY 2021-22.



ANALYZE

RESOLUTION

Department	Completed CAPs	Completed CAPs Past the 90-Day Deadline
Beaches and Harbors	1	0
Children and Family Services	5	0
District Attorney	2	0
Fire	1	0
Health Services	9	0
Internal Services	1	0
Medical Examiner - Coroner	1	0
Probation	5	0
Public Works	3	0
Registrar-Recorder/County Clerk	2	0
Sheriff	38	0
TOTAL	68	0



The quality of CAPs has significantly improved since 2015. CAPs now include more robust descriptions, supporting documentation, exhibits, and contain in-depth discussions as to the violations and/or system issues that occurred and how suggested corrective actions will address the problems in the present and into the future.

For 13 years, RMIG has co-chaired the Medical Malpractice Sub-Committee of the Legal Exposure Reduction Committee (LERC), which has led to more thorough communications and best practices, Countywide. Open communication among departments has reached new heights as departments work together on just culture (an approach to management of unintended outcomes in a humane and fair evaluation that identifies and corrects system contributors and human behaviors), CAPs, best practices, and sharing of information.

Communication is key to having a strong and healthy organization, and RMIG will strive to continually cultivate these open-door discussions.

Over the past several years, RMIG collaborated on the extensive development and implementation of the new RMIP to integrate the Risk Compliance Management System into applicable claims metrics. RMIG identified methods by which electronic communications with departments' litigation and risk management staff can be incorporated into this new system. The system was successfully implemented by CEO and RMIG is actively tracking and working on corrective actions within the new system.

RISK MANAGEMENT INSPECTOR GENERAL — OBJECTIVES FY 2022-23

RMIG will continue to research and develop additional automation methods to incorporate reminders and routine processes into the software. Overall, the new RMIP allows for the creation and tracking of CAPs and will automatically assign CAPs to relevant business areas and organizational structures. The new system is expected to generate a variety of status reports based on the progress of corrective actions, and will further assist in correlating the impact of the CAP to other loss measures. Additionally, RMIP provides a single clearinghouse for the storage of all reference documents and exhibits related to the CAP process.

RMIG continues to focus on liability loss control and incorporating data integration, tracking, and trending this FY. RMIG will focus on proactive liability loss control measures instead of reactive measures, which traditionally has been the practice.

In collaboration with the Liability Claims and Recovery Unit, RMIG will continue reviewing, revising, and updating high-priority claims on a weekly basis, as well as notifying executive management of any lawsuits settling for over \$5 million.

RMIG will continue to evaluate the risks and benefits associated with installing Automated External Defibrillators (AEDs) Countywide, which, due to COVID-19, the project was placed on hold due to lack of funding and resources. RMIG will strive to finalize a Countywide AED and Hands-Only CPR policy to establish fundamental procedures for the management and maintenance of AEDs, and seek the input and feedback of various Countywide stakeholders, including, but not limited to, County Counsel. CEO Risk Management will continue to work with the County departments' stakeholders (DHS, DMH, DPH, Fire) to seek funding sources for this very important Countywide initiative.

RMIG will continue to host presentations via the Risk Management Forum and/or webinars online on topics of interest to departments.

Finally, RMIG will conduct annual reviews of the departments' Risk Management Plans to determine each departments' risk position from a liability claims perspective. RMIG will score departments based on multiple factors and will work with the departments to mitigate potential damages.



RISK TRANSFER

The Risk Transfer Unit is responsible for purchasing commercial insurance Countywide, handling/issuing certificates of self-insurance Countywide, conducting insurance compliance reviews Countywide, and providing indemnification and insurance expertise to all County departments.

The County strives to obtain commercial insurance for multiple risks that could negatively affect the County. Examples of the types of commercial insurance procured are: Automobile, Aviation, Cyber, Crime, Fiduciary, Earthquake, General, and Property. The County is constantly analyzing the risks and benefits by which obtaining insurance provides additional financial stability to the County and its constituents. The purchasing of insurance allows the County better protection when conducting day-to-day activities, as well as allowing the County to better serve its constituents by taking more proactive roles in public safety and health initiatives that may be of a higher risk but of a greater public value.

RISK TRANSFER— SIGNIFICANT ACCOMPLISHMENTS FY 2021-22

The most notable accomplishment which illustrates the importance of catastrophic loss insurance was the recovery of nearly \$17 million for the Sheriff helicopter crash in 2021.

The Risk Transfer Unit also reorganized the various insurance coverages and procured more robust insurance policies to better protect the County from emerging risks and losses caused by catastrophic events.

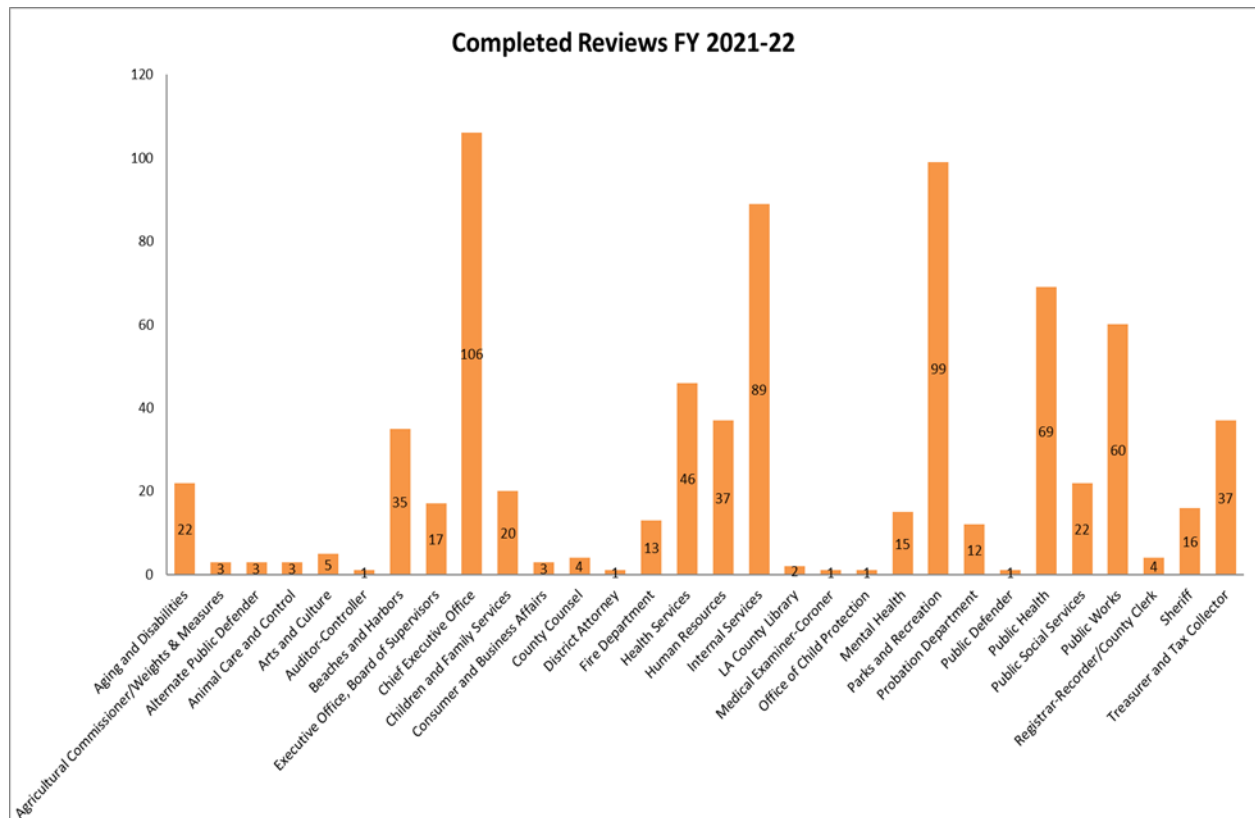
The enhanced policies cover losses emerging from cyber-attacks, fire, flood, earthquake property damage, catastrophic Workers' Compensation losses, sexual misconduct liability, and general liability. A new type of insurance coverage was procured this year at the request of the Department of Public Health, Cannabis Business Inspections and Product Liability.

Risk Transfer created a triage system to determine high risk and essential buildings within the County. This was accomplished with the collaboration of the development of the Deferred Maintenance Building Condition Assessments and the Asset Management Database, in partnership with County departments. In FY 2021-22, the Risk Transfer Unit, working in conjunction with the Property Insurance broker and underwriters, continued to assess County properties and update building values. 37 property addresses that included more than 60 buildings were assessed. Most of the addresses represented campuses and had more than one building.

Risk Transfer continued to provide Countywide insurance compliance reviews, indemnification and insurance trainings, and advice to all County departments on acceptable risk transfer techniques to protect the County from indemnity and legal costs associated with claims which may arise from the activities of County contractors.

RISK TRANSFER — SIGNIFICANT ACCOMPLISHMENTS FY 2020-21 (CONTINUED)

Risk Transfer conducted 747 indemnification and insurance reviews for departments during FY 2021-22. Departments were advised on possible risks associated with various projects and were provided recommendations on how to decrease such risks. The chart below illustrates the number of reviews completed per department.



A sizeable portion of indemnification and insurance reviews for departments were related to a public health emergency declared nationwide in response to COVID-19, and to the Department of Parks and Recreation's School Use of Parks Program.

Risk Transfer implemented an online Certificate of Self-Insurance system in January 2017 (Xera). As a result, the operating costs associated with the County Self-Insurance Certificate program decreased. All County departments can now more efficiently produce Certificates of Self-Insurance to meet their respective departmental needs.

Departments are often required to provide these certificates to various public and private entities for the County to conduct business on their property and/or for the public's benefit. Currently, all departments have access to the automated system and can produce their own Certificates of Self-Insurance within the requirements established by the County Risk Manager. This allows certificates to be expedited as needed and creates a more efficient way of conducting business. Tracking of the certificates is fully automated and certificates can be created and sent via email within minutes.

RISK TRANSFER — SIGNIFICANT ACCOMPLISHMENTS FY 2021-22 (CONTINUED)

Risk Transfer continues to train departments on the Xera system and provides ongoing technical and administrative support.

The chart below illustrates the number of County Certificates of Self-Insurance completed during FY 2021-22. A total of 682 certificates were completed by the departments within this timeframe.

DEPARTMENT	NUMBER OF CERTIFICATES
Aging and Disabilities	16
Agricultural Commissioner/Weights and Measures	3
Alternate Public Defender	2
Animal Care and Control	7
Arts and Culture	1
Assessor	1
Beaches and Harbors	4
Board of Supervisors, Executive Office	12
Chief Executive Office	43
Child Support Services	2
Children and Family Services	20
Consumer and Business Affairs	1
District Attorney	2
Fire	27
Health Services	63
Internal Services	2
LA County Library	8
Medical Examiner-Coroner	1
Mental Health	45
Parks and Recreation	16
Probation	3
Public Defender	1
Public Health	39
Public Social Services	18
Public Works	71
Registrar-Recorder/County Clerk	225
Sheriff	49
TOTAL	682

RISK TRANSFER — SIGNIFICANT ACCOMPLISHMENTS FY 2021-22 (CONTINUED)

During the FY 2021-22, Risk Transfer held five trainings on insurance and indemnification requirements for County departments' contracts. In addition, department-specific trainings were requested and provided to the contract administration and monitoring staff of the departments of Parks and Recreation, Public Health, and Treasurer and Tax Collector. In addition, specialized Cyber Insurance training was provided to the Treasurer and Tax Collector managers and supervisors.

Risk Transfer was asked to collaborate with other departments on various projects, including, but not limited to, the following:

- Insurance requirements for Schools Use of Parks Program Memorandum of Agreement for the Department of Parks and Recreation.
- Public Records Act Requests related to the Public Officials Bond and Crime Insurance.
- Revisions to Cyber Insurance standard requirements in County contract and solicitation templates.
- Changes to the insurance portion of the Franchisee Ordinance requested by the Department of Public Works.
- Board motion on contracting with small businesses and on streamlining County contracting processes and procedures.
- Revisions to the County Code as related to insurance coverage requirement for elected officials and Department Heads.

Risk Transfer has started drafting a comprehensive Insurance Manual for County Commercial Insurance and collaborating on the implementation of the comprehensive RMIP to integrate insurance policy management and asset management into the system's Loss Prevention module.

COLLABORATION



IDENTIFY

PREDICT

RISK TRANSFER — OBJECTIVES FY 2022-23

The Risk Transfer Unit will strive to insure as much County liability as is deemed financially responsible to protect County assets from unforeseen disasters. Continuing with this strategy, Risk Transfer is now in the process of obtaining higher limits of commercial excess coverage for Public Entity General Liability, Sexual Misconduct, and Cyber Liability, to further reduce risk to the County. Risk Transfer will work in partnership with the CEO Risk Management's Liability Claims Unit on assessing the need for Excess Medical Malpractice insurance. Risk Transfer will continue to collaborate with the departments on their department-specific commercial insurance needs and obtain their specific insurance policies on an as-needed basis.

Risk Transfer will continue evaluating properties to determine high risk and essential County buildings. Decisions to add County buildings to the property insurance policy will be made from a risk management perspective and will consider various factors such as location, population, and function of the buildings to ensure that all properties have the necessary coverage.

Risk Transfer will continue to conduct live webinars and online training on topics of interest to departments as part of their ongoing training program. The training objective is to provide holistic risk management and risk transfer perspectives to the departments' contract administrator functions with the goal of mitigating the contractual risks for the County.

Risk Transfer will continue to collaborate with departments on various Countywide projects to help assess potential risks and transfer them using diverse risk transfer techniques. Risk Transfer will continue building a partnership with County Counsel and the Internal Services Department to combine legal, contracting, and risk management expertise to help the County improve its contracting solicitation, administration, and monitoring practices with small, medium, and minority-owned businesses.

Risk Transfer will continue to assist in the development of the insurance module of the comprehensive RMIP by integrating County commercial insurance policies into the system. Risk Transfer objectives for the system are:

- To retain all County commercial insurance policies in electronic format for easy location, reference, and complete searchability.
- Maintain a complete list of County properties covered by hazard insurance, including property values and business interruption values, for easy access related to claims.

Risk Transfer will revise and update the Insurance Manual for County contracts with vendors. In addition, Risk Transfer will complete the comprehensive Insurance Manual for County Commercial Insurance.

OFFICE OF PRIVACY

The Office of Privacy (OOP) oversees the Countywide Privacy Program and privacy risk management activities among the County's 39 departments. OOP is led by the County's Chief Privacy Officer who manages the development of the Countywide Privacy Program and ensures protection of the County's data and information from unauthorized access, modification, misuse, or destruction. The mission of OOP is to protect the County's data and information through centralized oversight of privacy and cybersecurity risk mitigation protocols, and focused governance over privacy program operations.

Privacy risk management functions involve a unique interplay between the distinct objectives of OOP and the Office of the Chief Information Office (OCIO). While the OCIO is focused on the security and protection of the County's information technology systems and infrastructure, OOP is focused on the protection of the County's data and information that is processed and stored within those systems. The respective objectives of both programs provide holistic privacy and cybersecurity risk management functions with the goal of mitigating these risks for the County.

OOP also ensures Countywide compliance with federal requirements under the Health Insurance Portability and Accountability Act of 1996 (HIPAA). OOP oversees the Countywide HIPAA program, regulatory reporting activities, and coordinates with the County's HIPAA-covered departments regarding the County's compliance with HIPAA, the Health Information Technology for Economic and Clinical Health Act (HITECH), and applicable laws and County policies.

OFFICE OF PRIVACY AND HIPAA

KEY PRIVACY OBJECTIVES

OOP manages the Countywide Privacy Program operations, which include several key objectives:

- **Privacy and HIPAA Program Development**
Lead Countywide privacy policy development and program management, including the establishment of new Board policies pertaining to the Countywide Privacy Program.
- **Centralized Oversight and Compliance**
Provide streamlined guidance to County departments on privacy-focused and HIPAA-focused initiatives, policies, training, risk assessments, audits, and compliance with applicable laws, regulations, and County policies. Coordinate with the County's Risk Manager to procure cyber-liability insurance coverage for the County.
- **Countywide Employee Training**
Deploy the Countywide Privacy Awareness Training Program, and HIPAA Training for applicable departments, as required by the HIPAA Privacy and Security Rules. In 2022, nearly 80% of County employees completed annual Countywide Privacy Awareness training, and nearly 76% completed required HIPAA Training.
- **Privacy Incident and Breach Response**
Ongoing development of incident response and breach response protocols for privacy and/or HIPAA-focused components of incident response processes, and consult with the County's Security Officers on timely response actions, legally required notices, and regulatory reporting, as applicable.

OFFICE OF PRIVACY AND HIPAA KEY PRIVACY OBJECTIVES (CONTINUED)

- **Third-Party Vendor Management**
Provide technical guidance on the County's contract provisions to ensure the protection of County's data and Protected Health Information, assist with privacy risk assessments of the County's third-party vendors and review of Business Associate Agreements, and provide guidance on privacy risk assessments of the County's third-party vendors.

OFFICE OF PRIVACY—OBJECTIVES FOR FY 2022-23

OOP's objectives are centered around the ongoing development of a Countywide Privacy Program that provides a foundation for the appropriate management and protection of County Information, including Personal Information and Protected Health Information. The Countywide Privacy Program is guided by the principles of protection of County Information, ethics regarding the use of Personal Information, transparency about the collection, and use of County Information.

During FY 2022-23, OOP presented a new chapter of Board policies pertaining to Privacy (Chapter 10) for adoption by the Board, and will continue with enterprise-wide implementation of these policy requirements. In addition, OOP will continue providing key risk management functions to control privacy and cybersecurity risks for the County.

These protocols include the implementation of incident and breach response procedures, deployment of privacy threshold and privacy impact assessment tools, implementation of the HIPAA audit plan, deployment of privacy awareness training and enhanced HIPAA training for employees, and related privacy program initiatives to ensure compliance with applicable privacy policies, laws, and regulations. As OOP continues to work with individual County departments on their specific privacy needs, OOP will simultaneously maintain an enterprise-wide perspective on the privacy framework and programs throughout the County.



RISK MANAGEMENT FINANCE

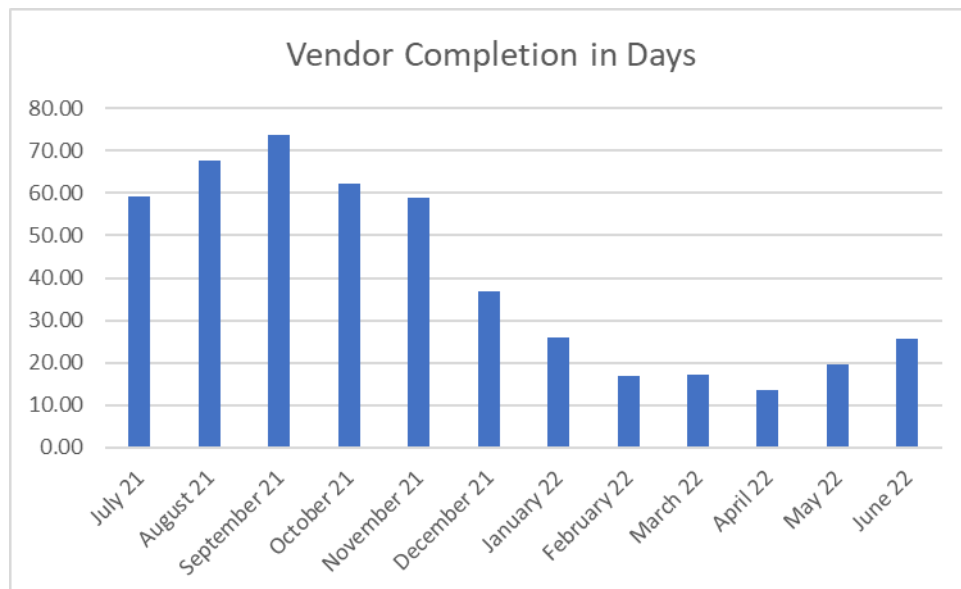
The Risk Management Finance Unit (Finance) provides general accounting and internal auditing services for the various programs within CEO Risk Management. General accounting services include budget, department billing, vendor request processing, warrant service requests, invoice payments, County fund transfers, and direct deposit assistance for vendors and claimants. Internal auditing services include performing payment reviews, invoice reviews, and internal control reviews, amongst others.

Additionally, Finance provides specific accounting services for the County's Disability Management Program, which is overseen by the Department of Human Resources.

RISK MANAGEMENT FINANCE — SIGNIFICANT ACCOMPLISHMENTS FY 2021-22

In February 2021, the Workers' Compensation module of VCE went live. Significant improvements have been seen as the TPAs and Finance became more skilled at using the new system.

The average number of days to complete a vendor addition or modification have decreased as seen in the chart below. An interface with eCAPS, the County's financial system, was created within VCE which eliminated the duplicate vendor data entry that occurred in the legacy system. In addition to the time saving benefit, the interface decreases the error rate of vendors incorrectly entered into the system.

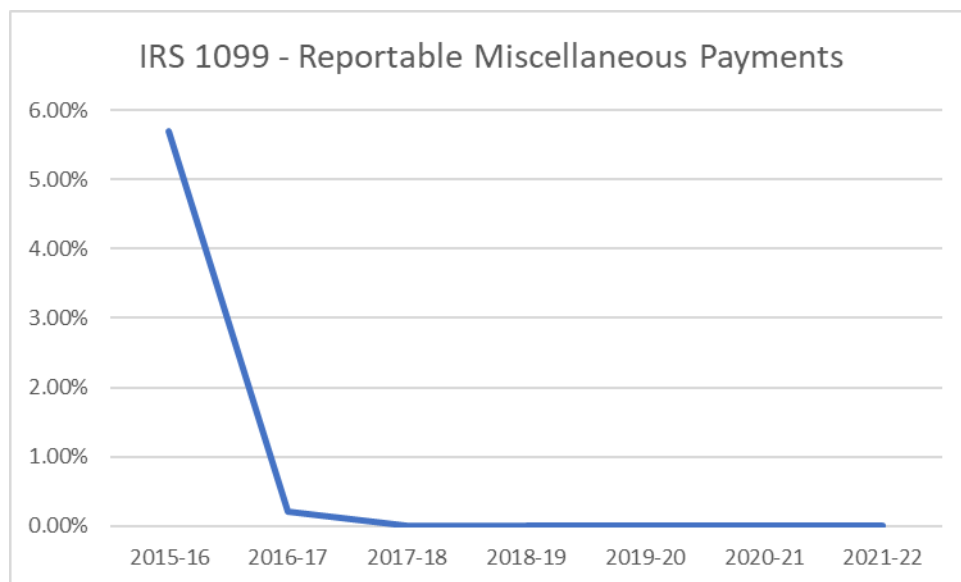


RISK MANAGEMENT FINANCE — SIGNIFICANT ACCOMPLISHMENTS FY 2021-22 (CONTINUED)

Due to the implementation of VCE in the third quarter of FY 2020-21, some manual 1099 reporting to the Auditor-Controller was still required at the end of calendar year 2021; however, a majority of the reporting was completed in VCE. As this was the first year, a few minor issues were identified and corrected. For December 2022, all 1099 reporting will be completed in VCE, thereby increasing efficiency and decreasing manual errors.

VCE successfully receives vendor post-back files, which automatically activates and deactivates vendors and was previously completed manually in the legacy system. This results in a vendor table that is updated on a regular basis. Maintaining an updated vendor table decreases fraud and prevents payments from being rejected due to an inactive eCAPS vendor status.

Since FY 2016-17, Finance continues to maintain a low percentage of payments issued as miscellaneous and considered Internal Revenue Service (IRS) 1099-reportable. For FY 2021-22, there were 0% IRS 1099-reportable miscellaneous payments. Maintaining a low percentage decreases the risk of fraudulent payments as miscellaneous payments are made to vendors that are not in eCAPS and therefore have not been screened.



RISK MANAGEMENT FINANCE — SIGNIFICANT ACCOMPLISHMENTS FY 2021-22 (CONTINUED)

Other significant accomplishments and statistics include the following:

- Assisted County departments recover funds that were intercepted by Medicare and streamlined an internal process of handling a department's Medicare reimbursement request.
- Processed 1,119 vendor requests (1,113 requests processed in FY 2020-21).
- Processed 287 retro Temporary Disability/ Long-Term Disability requests (145 requests processed in FY 2020-21).
- Completed four Workers' Compensation TPA duplicate payment reviews.
- Completed two Workers' Compensation eCAPS payments internal control plan reviews.

RISK MANAGEMENT FINANCE — OBJECTIVES FY 2022-23

- Resume the pilot program for direct deposit of Workers' Compensation payments to claimants who work for Fire.
- Consolidate and reformat the Insurance Budget accounting schedules.
- Streamline the Insurance Budget reconciliation and billing process.
- Identify County departments affected by erroneous Medicare interceptions and develop and implement procedures to address the balances in the TK7 trust account.
- Transition the finance related work of the CEO Liability Claims Unit to Finance.
- Continue to integrate the Insurance Budget accounting with the Workers' Compensation Budget accounting.
- Continue creating and refining VCE reports for program analysis.
- Continue addressing audit findings from the 2019 Auditor-Controller ClaimsVision Payment Process Review.
- Continue working with vendors on the Audit Management System.



RISK MANAGEMENT PERFORMANCE METRICS

On March 9, 2021, the Board directed the CEO, in collaboration with all County departments, to establish performance metrics to measure departmental risk management performance, including, but not limited to, areas of loss prevention, privacy, and workers' compensation/return-to-work.

CEO Risk Management and the Department of Human Services convened to establish performance metrics based on several factors to rank departmental risk management performance. Performance metrics included an aggregate score that integrated Workers' Compensation and liability claim performance (weighted 75%) and departmental risk management efforts and activities as identified in departmental Risk Management Plans (weighted 25%), thereby creating a scoring metric that ranked departments through accrued points. Department arduous ratings were also utilized to normalize Workers' Compensation and liability claims performance across all County departments.

Service clusters were used to group departments, determine departmental performance, and identify the lower performing department (bottom ten percent) for each cluster. The following departments ranked in the bottom ten percent for FY 2020-21. CEO Risk Management and the Department of Human Resources met regularly with these departments to better focus their risk management efforts. Some of the activities undertaken by these departments are:

Fire

(Public Safety Cluster)

- Explored avenues and opportunities to implement Occupational Athlete/Military Medical Model.
- Worked with County Fire Peer Support Program to evaluate areas to enhance the Program and increased uptake from Fire personnel in need (outreach and process with aim to shift departmental culture, emphasizing anonymity, deconstructing stigma).
- Evaluated the accident investigation procedure to identify areas that can help with preventing future injuries/incidents, including meaningful enhancement of the investigation process and utilized form and standardized training of field safety personnel who conduct investigations.

Parks and Recreation

(Community and Municipal Services Cluster)

- Reviewed and revamped several employee safety and health programs, including the Injury and Illness Prevention Program and Ergonomics Program.
- Reinstated the department's Safety Committee.
- Created a new safety library for tailgate meetings.

Registrar-Recorder/County Clerk

(Operations Cluster)

- Created and implemented a driver safety program for temporary employees hired to drive, including a defensive driver training requirement.

RISK MANAGEMENT PERFORMANCE METRICS (CONTINUED)

Health Services

(Health and Mental Health Services Cluster)

- Conducted monthly meetings at all facilities to discuss risk issues, including ongoing litigation, threatened litigation, or general concerns in both the clinical and non-clinical risk arenas. This provided the opportunity to conduct some of the ground training at the facility level.
- Conducted monthly departmentwide risk meetings to discuss significant risk issues.

Aging and Disabilities

(Family and Social Services Cluster)

No activities to report – department was reorganized during FY 2021-22.

CEO Risk Management continues to meet regularly with departments to better focus their risk management efforts in minimizing claim frequency and severity.

In continuance with the Board's directive, CEO Risk Management will continue to measure departmental risk management performance. The departments listed below ranked in the bottom ten percent for FY 2021-22. CEO Risk Management and the Department of Human Resources will meet regularly with these departments to better focus their risk management efforts in minimizing claim frequency and severity drivers.

Fire

(Public Safety Cluster)

Regional Planning

(Community and Municipal Services Cluster)

Registrar-Recorder/County Clerk

(Operations Cluster)

Health Services

(Health and Mental Health Services Cluster)

Children and Family Services

(Family and Social Services Cluster)

REDUCE



HIGH-RISK

RESOLUTION

STATISTICS

FY 2019-20 TO FY 2021-22

All Claims Frequency and Expense Summary	Exhibit A
Workers' Compensation Claim Frequency and Expense Summary.....	Exhibit B
State of California Labor Code 4850 and Salary Continuation Expense Summary.....	Exhibit C
Vehicle Liability Claim Frequency and Expense Summary.....	Exhibit D
General Liability Claim Frequency and Expense Summary.....	Exhibit E
General Liability/Law Enforcement Liability Claim Frequency and Expense Summary.....	Exhibit E-1
General Liability/Employment Practices Liability Claim Frequency and Expense Summary	Exhibit E-2
Medical Malpractice Claim Frequency and Expense Summary.....	Exhibit F
Cost of Risk Detail.....	Exhibit G



EXHIBIT A

ALL CLAIMS FREQUENCY AND EXPENSE SUMMARY

Department	FY 2019-20		FY 2020-21		FY 2021-22	
	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)
Agricultural Commissioner/Weights and Measures	44	\$846,391	30	\$616,703	43	\$773,094
Alternate Public Defender	5	\$898,328	5	\$461,878	5	\$532,922
Animal Care and Control	108	\$2,022,637	88	\$776,086	122	\$1,059,813
Arts and Culture	0	\$3,833	0	\$1,016	0	\$1,939
Assessor	60	\$2,768,827	33	\$2,339,401	23	\$3,456,470
Auditor-Controller	23	\$438,064	21	\$626,555	12	\$461,775
Beaches and Harbors	39	\$1,671,571	36	\$1,163,600	41	\$1,001,341
Board of Supervisors	64	\$1,377,155	41	\$3,355,692	89	\$3,313,006
Chief Executive Office	18	\$1,026,366	85	\$2,134,301	11	\$2,258,273
Child Support Services	105	\$3,878,679	52	\$3,901,068	96	\$4,659,428
Children and Family Services	524	\$29,212,134	291	\$22,960,947	419	\$32,598,552
Consumer and Business Affairs	8	\$94,253	76	\$26,147	5	\$268,500
County Counsel	36	\$1,321,228	17	\$3,072,751	12	\$2,339,877
District Attorney	111	\$9,520,475	132	\$14,016,758	122	\$12,342,156
Fire	1,697	\$133,137,696	1,726	\$138,680,898	2,203	\$189,196,729
Health Services	3,367	\$62,662,099	2,502	\$48,301,853	2,138	\$50,784,135
Human Resources	12	\$627,279	9	\$861,654	8	\$948,988
Internal Services	146	\$4,392,466	103	\$2,401,108	88	\$6,367,994
LACERA	42	\$1,108,195	7	\$636,284	5	\$560,034
LA County Library	21	\$668,188	36	\$980,089	32	\$1,862,483
Medical Examiner - Coroner	46	\$1,170,280	70	\$1,337,547	88	\$1,779,700
Mental Health	324	\$11,325,923	202	\$8,043,527	182	\$8,820,456
Military and Veterans Affairs	1	\$202,087	3	\$205,013	0	\$146,603
Museum of Art	2	\$161,791	1	\$233,599	2	\$242,694
Museum of Natural History	0	\$47,434	0	\$38,131	3	\$47,827
Non-Jurisdictional	1,379	\$1,169,696	1,125	\$1,012,342	1,361	\$1,025,868
Parks and Recreation	209	\$9,661,683	172	\$3,948,744	230	\$4,612,524
Pending Assignment	5	\$0	0	\$0	69	\$0
Probation	993	\$44,689,573	584	\$40,306,448	680	\$41,691,924
Public Defender	45	\$5,075,669	32	\$6,892,320	50	\$6,567,804
Public Health	286	\$8,661,010	346	\$8,948,342	233	\$11,679,931
Public Social Services	882	\$34,243,908	524	\$29,191,596	670	\$35,217,131
Public Works ⁵	576	\$14,942,932	501	\$18,817,627	8,897	\$13,307,162
Regional Planning	12	\$1,531,977	16	\$786,246	20	\$558,644
Registrar-Recorder/County Clerk	99	\$2,715,628	85	\$2,895,819	83	\$2,999,672
Sheriff	6,057	\$284,914,493	7,255	\$286,194,364	8,457	\$407,587,052
Superior Court	171	\$10,240,656	147	\$8,039,792	153	\$8,387,938
Treasurer and Tax Collector	66	\$1,038,061	40	\$1,012,055	25	\$1,703,045
Workforce Development, Aging and Community Svcs.	29	\$727,820	21	\$996,042	15	\$866,640
TOTAL⁴	17,408	\$690,196,485	16,040	\$666,214,345	26,019	\$699,519,896

1. Amount Paid is the total of the transactions paid by coverage code in the fiscal year, regardless of occurrence date plus amounts paid for Workers' Compensation from the Workers' Compensation Status Report. Amount Paid includes indemnity and legal fees and expenses. Does not include Reported But Not Paid (RBNP) or Incurred But Not Reported (IBNR) reserves. Workers' Compensation paid does not reflect State of California Labor Code 4850 or salary continuation payments. Data does not include unemployment costs.
2. Above information includes pending and non-jurisdictional departments, but does not include associated agencies that are not County departments, i.e., MTA, Foothill Transit. This information does include County Counsel tort files. County Counsel expenditures are also included.
3. Amounts valued as of June 30, 2022.
4. The total number of claims does not add up to the sum of claims by department since some claims are allocated to multiple departments; count includes all suffixes.
5. Increase in Other General Liability claims is due to the Dominguez Hills/Carson odor complaints.

EXHIBIT B**WORKERS' COMPENSATION CLAIM FREQUENCY AND EXPENSE SUMMARY
FY 2019-20 THROUGH FY 2021-22**

Department	FY 2019-20		FY 2020-21		FY 2021-22	
	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)
Agricultural Commissioner/Weights and Measures	33	\$696,861	19	\$568,030	30	\$720,705
Alternate Public Defender	4	\$493,321	3	\$449,337	4	\$513,458
Animal Care and Control	89	\$729,720	80	\$522,389	112	\$753,798
Arts and Culture	0	\$3,833	0	\$1,016	0	\$1,939
Assessor	26	\$658,349	9	\$684,141	12	\$780,716
Auditor-Controller	12	\$284,858	16	\$200,047	9	\$271,125
Beaches and Harbors	19	\$615,976	16	\$599,806	28	\$689,634
Board of Supervisors	5	\$346,337	7	\$225,457	8	\$388,668
Chief Executive Office	7	\$499,116	4	\$675,344	1	\$566,953
Child Support Services	86	\$3,606,286	37	\$3,662,584	86	\$4,172,020
Children and Family Services	363	\$12,603,315	181	\$11,827,531	265	\$14,219,485
Consumer and Business Affairs	3	\$69,904	0	\$24,002	4	\$48,849
County Counsel	13	\$560,118	9	\$549,703	5	\$776,293
District Attorney	75	\$5,227,712	68	\$5,325,964	66	\$6,173,303
Fire	1,527	\$79,799,082	1,601	\$85,130,851	2,047	\$103,115,789
Health Services	2,198	\$36,852,753	2,059	\$36,385,401	1,933	\$39,528,618
Human Resources	8	\$579,610	8	\$779,756	8	\$747,513
Internal Services	75	\$3,563,140	68	\$3,795,665	67	\$4,255,464
LACERA	42	\$843,795	7	\$617,380	5	\$560,034
LA County Library	10	\$635,875	31	\$793,020	23	\$845,151
Medical Examiner - Coroner	29	\$515,777	34	\$752,500	72	\$778,660
Mental Health	274	\$7,008,491	156	\$6,188,524	165	\$7,503,491
Military and Veterans Affairs	1	\$148,351	3	\$127,538	0	\$146,603
Museum of Art	2	\$161,455	1	\$223,579	1	\$242,694
Museum of Natural History	0	\$47,374	0	\$34,664	0	\$47,827
Non-Jurisdictional	6	\$0	2	\$0	5	\$0
Parks and Recreation	150	\$3,909,071	127	\$3,412,748	170	\$3,915,292
Pending Assignment	0	\$0	0	\$0	0	\$0
Probation	937	\$25,002,012	540	\$26,231,626	626	\$28,594,943
Public Defender	27	\$1,594,197	15	\$1,336,689	26	\$1,708,330
Public Health	244	\$6,420,144	158	\$6,658,517	154	\$7,361,887
Public Social Services	830	\$29,153,299	488	\$27,375,118	637	\$31,762,587
Public Works	204	\$5,365,537	163	\$5,578,022	175	\$5,400,730
Regional Planning	6	\$121,142	4	\$135,312	6	\$133,316
Registrar-Recorder/County Clerk	60	\$2,145,671	29	\$2,299,947	58	\$2,552,387
Sheriff	4,799	\$159,909,224	6,037	\$167,187,771	6,827	\$190,013,562
Superior Court	171	\$9,821,970	146	\$7,616,447	153	\$7,726,551
Treasurer and Tax Collector	13	\$666,981	11	\$507,966	6	\$739,557
Workforce Development, Aging and Community Svcs.	27	\$499,744	10	\$532,529	13	\$623,455
TOTAL	12,375	\$401,160,401	12,147	\$409,016,919	13,807	\$468,381,386

1. Amount Paid is the total of the transactions paid for Workers' Compensation in the fiscal year; amount includes indemnity and legal fees and expenses, regardless of date of occurrence. Does not include RBNP or IBNR reserves. Workers' Compensation paid does not include State of California Labor Code 4850 or salary continuation payments.
2. Amounts shown as listed on the Workers' Compensation Status Report.
3. Superior Court expenses are billed to the State of California; these expenses are not controllable by the County as these are State of California employees.

EXHIBIT C

STATE LABOR CODE 4850 AND SALARY CONTINUATION EXPENSE SUMMARY FY 2019-20 THROUGH FY 2021-22

Department	FY 2019-20	FY 2020-21	FY 2021-22
	Amount Paid ¹	Amount Paid ¹	Amount Paid ¹
Agricultural Commissioner/Weights and Measures	\$23,276	\$21,431	\$16,182
Alternate Public Defender	\$83,811	\$0	\$0
Animal Care and Control	\$46,023	\$58,027	\$55,159
Arts and Culture	\$0	\$0	\$0
Assessor	\$16,124	\$8,896	\$0
Auditor-Controller	\$13,416	\$0	\$25,528
Beaches and Harbors	\$32,756	\$0	\$17,500
Board of Supervisors	\$22,773	\$10,108	\$68,717
Chief Executive Office	\$0	\$0	\$63,505
Child Support Services	\$109,483	\$119,339	\$50,579
Children and Family Services	\$963,990	\$1,026,565	\$717,204
Consumer and Business Affairs	\$24,351	\$0	\$2,772
County Counsel	\$11,374	\$0	\$0
District Attorney	\$1,535,540	\$802,434	\$1,415,121
Fire	\$50,472,195	\$51,562,322	\$61,533,452
Health Services	\$2,056,788	\$2,338,677	\$2,442,860
Human Resources	\$1,019	\$0	\$1,938
Internal Services	\$95,563	\$150,556	\$164,888
LACERA	\$4,075	\$18,904	\$0
LA County Library	\$32,313	\$4,176	\$6,027
Medical Examiner - Coroner	\$11,427	\$27,337	\$59,119
Mental Health	\$313,266	\$200,915	\$243,294
Military and Veterans Affairs	\$34,461	\$0	\$0
Museum of Art	\$0	\$0	\$0
Museum of Natural History	\$0	\$0	\$0
Non-Jurisdictional	\$0	\$0	\$0
Parks and Recreation	\$78,490	\$111,476	\$197,084
Pending Assignment	\$0	\$0	\$0
Probation	\$15,371,230	\$11,347,169	\$8,411,562
Public Defender	\$88,501	\$14,079	\$235,817
Public Health	\$581,225	\$177,259	\$357,250
Public Social Services	\$793,089	\$552,552	\$782,775
Public Works	\$402,616	\$584,324	\$505,755
Regional Planning	\$0	\$0	\$0
Registrar-Recorder/County Clerk	\$0	\$0	\$0
Sheriff	\$53,599,983	\$63,839,349	\$84,406,722
Superior Court	\$418,686	\$422,538	\$642,757
Treasurer and Tax Collector	\$28,465	\$9,575	\$24,544
Workforce Development, Aging and Community Svcs.	\$38,560	\$10,711	\$62,119
TOTAL	\$127,304,869	\$133,418,720	\$162,510,229

1. Amount Paid is as reported by the Auditor-Controller based on the sum of 70% IA, 100% IA, and MegalA expense.

EXHIBIT D**VEHICLE LIABILITY CLAIM FREQUENCY AND EXPENSE SUMMARY
FY 2019-20 THROUGH FY 2021-22**

Department	FY 2019-20		FY 2020-21		FY 2021-22	
	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)
Agricultural Commissioner/Weights and Measures	7	\$125,904	6	\$26,270	9	\$21,475
Alternate Public Defender	0	\$0	0	\$0	0	\$0
Animal Care and Control	3	\$11,322	1	\$7,441	6	\$7,359
Arts and Culture	0	\$0	0	\$0	0	\$0
Assessor	2	\$14,181	0	\$0	0	\$0
Auditor-Controller	0	\$0	0	\$0	0	\$0
Beaches and Harbors	3	\$22,406	1	\$11,170	5	\$230
Board of Supervisors	4	\$19,439	1	\$11,622	2	\$0
Chief Executive Office	0	\$0	0	\$0	0	\$0
Child Support Services	2	\$0	0	\$2,155	0	\$0
Children and Family Services	34	\$762,475	26	\$332,027	14	\$261,510
Consumer and Business Affairs	0	\$0	0	\$0	0	\$0
County Counsel	0	\$0	0	\$0	0	\$0
District Attorney	10	\$20,215	11	\$15,626	2	\$10,099
Fire	109	\$2,152,363	73	\$663,017	79	\$16,424,617
Health Services	7	\$25,512	5	\$66,244	4	\$65,540
Human Resources	0	\$1,061	0	\$0	0	\$0
Internal Services	31	\$145,641	9	\$292,598	9	\$235,565
LACERA	0	\$0	0	\$0	0	\$0
LA County Library	2	\$0	5	\$5,258	1	\$16,864
Medical Examiner - Coroner	1	\$4,116	3	\$43,078	2	\$3,909
Mental Health	11	\$113,936	6	\$594,111	7	\$60,218
Military and Veterans Affairs	0	\$0	0	\$0	0	\$0
Museum of Art	0	\$0	0	\$0	0	\$0
Museum of Natural History	0	\$60	0	\$3,467	0	\$0
Non-Jurisdictional	320	\$103,849	237	\$196,765	307	\$119,419
Parks and Recreation	13	\$89,563	9	\$69,963	9	\$76,561
Pending Assignment	0	\$0	0	\$0	0	\$0
Probation	14	\$36,248	8	\$155,441	10	\$102,124
Public Defender	4	\$38,427	2	\$20,051	3	\$84,245
Public Health	16	\$320,698	13	\$71,376	11	\$60,175
Public Social Services	9	\$657,487	2	\$31,282	3	\$3,491
Public Works	93	\$1,088,896	47	\$796,113	42	\$1,307,836
Regional Planning	0	\$0	0	\$0	0	\$0
Registrar-Recorder/County Clerk	13	\$25,083	20	\$41,092	14	\$72,949
Sheriff	439	\$22,396,999	314	\$12,203,034	279	\$7,659,853
Superior Court	0	\$0	0	\$0	0	\$0
Treasurer and Tax Collector	0	\$0	0	\$0	1	\$333
Workforce Development, Aging and Community Svcs.	2	\$556	6	\$26,144	0	\$112,435
TOTAL⁴	1,149	\$28,176,437	805	\$15,685,346	819	\$26,706,807

1. Amount Paid is the total of the transactions paid for vehicle liability claims and lawsuits in the fiscal year; amount includes indemnity and legal fees and expenses, regardless of date of occurrence. Does not include RBNP or IBNR reserves.
2. Above information includes pending and non-jurisdictional departments, but does not include associated agencies that are not County departments, i.e., MTA, Foothill Transit. This information includes County Counsel tort files.
3. Amounts do not include non-insured and non-third-party-vehicle losses which are directly paid by the departments. Amounts valued as of June 30, 2022.
4. The total number of claims does not add up to the sum of claims by department since some claims are allocated to multiple departments; count includes all suffixes.

EXHIBIT E**GENERAL LIABILITY CLAIM FREQUENCY AND EXPENSE SUMMARY
FY 2019-20 THROUGH FY 2021-22**

Department	FY 2019-20		FY 2020-21		FY 2021-22	
	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)
Agricultural Commissioner/Weights and Measures	4	\$351	5	\$972	4	\$14,731
Alternate Public Defender	1	\$321,196	2	\$12,542	1	\$10,407
Animal Care and Control	16	\$1,235,572	7	\$188,229	4	\$170,599
Arts and Culture	0	\$0	0	\$0	0	\$0
Assessor	32	\$2,080,173	24	\$1,646,364	10	\$1,965,991
Auditor-Controller	11	\$139,790	5	\$426,509	3	\$127,122
Beaches and Harbors	17	\$1,000,433	19	\$552,624	8	\$293,978
Board of Supervisors	55	\$988,606	33	\$3,108,504	46	\$2,662,502
Chief Executive Office	11	\$527,250	81	\$1,458,957	9	\$1,244,735
Child Support Services	17	\$162,911	15	\$116,991	8	\$284,581
Children and Family Services	125	\$14,882,222	83	\$9,774,824	135	\$10,385,254
Consumer and Business Affairs	5	\$0	76	\$2,145	1	\$216,879
County Counsel	23	\$749,736	8	\$2,523,047	6	\$1,563,584
District Attorney	26	\$2,737,008	53	\$7,872,734	34	\$2,794,883
Fire	48	\$646,435	46	\$1,155,753	51	\$4,196,582
Health Services	1,031	\$16,667,834	321	\$5,278,477	188	\$5,123,646
Human Resources	4	\$45,589	1	\$81,898	0	\$99,769
Internal Services	40	\$588,122	26	-\$1,837,711	12	\$1,432,011
LACERA	0	\$260,325	0	\$0	0	\$0
LA County Library	9	\$0	0	\$177,636	7	\$532,955
Medical Examiner - Coroner	16	\$621,538	33	\$514,631	14	\$554,581
Mental Health	35	\$3,874,454	34	\$1,037,515	9	\$602,807
Military and Veterans Affairs	0	\$19,275	0	\$77,475	0	\$0
Museum of Art	0	\$336	0	\$10,021	1	\$0
Museum of Natural History	0	\$0	0	\$0	3	\$0
Non-Jurisdictional	1,046	\$1,065,847	865	\$814,530	1,034	\$884,130
Parks and Recreation	46	\$5,584,560	36	\$354,557	49	\$377,822
Pending Assignment	5	\$0	0	\$0	59	\$0
Probation	39	\$4,202,758	35	\$2,562,678	33	\$2,714,055
Public Defender	14	\$3,354,543	15	\$5,521,502	15	\$4,123,296
Public Health	26	\$809,225	175	\$2,023,190	65	\$3,565,315
Public Social Services	43	\$3,640,033	34	\$1,232,644	26	\$1,504,183
Public Works ⁵	279	\$8,085,883	291	\$11,859,167	8,670	\$5,680,161
Regional Planning	6	\$1,410,836	12	\$650,934	14	\$395,869
Registrar-Recorder/County Clerk	26	\$544,874	36	\$554,781	11	\$365,226
Sheriff	815	\$48,857,456	899	\$42,837,513	753	\$66,899,781
Superior Court	0	\$0	1	\$807	0	\$9,315
Treasurer and Tax Collector	53	\$342,615	29	\$494,515	18	\$624,102
Workforce Development, Aging and Community Svcs.	0	\$188,960	5	\$426,659	2	\$39,816
TOTAL⁴	3,728	\$125,636,746	2,946	\$103,513,609	11,303	\$121,460,668

1. Amount Paid is the total of the transactions paid for liability claims and lawsuits in the fiscal year; amount includes indemnity and legal fees and expenses, regardless of date of occurrence. Does not include RBNP or IBNR reserves.
2. Above information includes pending and non-jurisdictional departments, but does not include associated agencies that are not County departments, i.e., MTA, Foothill Transit. This information includes County Counsel tort files.
3. Amounts valued as of June 30, 2022.
4. The total number of claims does not add up to the sum of claims by department since some claims are allocated to multiple departments; count includes all suffixes.
5. Increase in Other General Liability claims is due to the Dominguez Hills/Carson odor complaints.

EXHIBIT E – 1 (SUBSET OF EXHIBIT E)**GENERAL LIABILITY/LAW ENFORCEMENT LIABILITY CLAIM FREQUENCY AND EXPENSE SUMMARY
FY 2019-20 THROUGH FY 2021-22**

Department	FY 2019-20		FY 2020-21		FY 2021-22	
	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)
Agricultural Commissioner/Weights and Measures	0	\$0	0	\$0	0	\$0
Alternate Public Defender	0	\$0	1	\$5,000	0	\$0
Animal Care and Control	0	\$0	0	\$0	0	\$0
Arts and Culture	0	\$0	0	\$0	0	\$0
Assessor	0	\$0	0	\$0	0	\$0
Auditor-Controller	0	\$0	0	\$0	0	\$0
Beaches and Harbors	0	\$0	0	\$0	0	\$0
Board of Supervisors	2	\$0	2	\$0	0	\$9,587
Chief Executive Office	7	\$0	0	\$8,002	0	\$99,303
Child Support Services	0	\$0	0	\$0	0	\$0
Children and Family Services	1	\$34,784	0	\$14,654	1	\$23,969
Consumer and Business Affairs	0	\$0	0	\$0	0	\$0
County Counsel	0	\$986	0	\$0	0	\$0
District Attorney	4	\$1,230,945	14	\$31,929	11	\$211,100
Fire	1	\$22,249	3	\$378,881	12	\$3,087,248
Health Services	5	\$24,708	2	\$107,289	0	\$13,190
Human Resources	0	\$0	0	\$0	0	\$0
Internal Services	0	\$0	0	\$0	0	\$0
LACERA	0	\$0	0	\$0	0	\$0
LA County Library	0	\$0	0	\$0	0	\$0
Medical Examiner - Coroner	1	\$0	0	\$0	1	\$16,907
Mental Health	0	\$2,955,948	0	\$31,893	0	\$4,086
Military and Veterans Affairs	0	\$0	0	\$0	0	\$0
Museum of Art	0	\$0	0	\$0	0	\$0
Museum of Natural History	0	\$0	0	\$0	0	\$0
Non-Jurisdictional	23	\$3,372	4	\$2,525	6	\$6,596
Parks and Recreation	0	\$0	0	\$0	0	\$0
Pending Assignment	3	\$0	0	\$0	9	\$0
Probation	5	\$110,795	1	\$313,083	4	\$207,053
Public Defender	1	\$24,853	4	\$153,659	4	\$142,081
Public Health	0	\$0	0	\$0	0	\$0
Public Social Services	1	\$0	0	\$0	0	\$0
Public Works	1	\$0	0	\$0	0	\$0
Regional Planning	0	\$0	0	\$0	0	\$0
Registrar-Recorder/County Clerk	0	\$0	0	\$0	0	\$0
Sheriff	534	\$33,819,537	553	\$34,103,115	526	\$54,252,848
Superior Court	0	\$0	0	\$0	0	\$0
Treasurer and Tax Collector	0	\$0	0	\$0	0	\$0
Workforce Development, Aging and Community Svcs.	0	\$0	1	\$0	0	\$0
TOTAL⁴	568	\$38,228,175	575	\$35,150,030	574	\$58,073,978

1. Amount Paid is the total of the transactions paid for liability claims and lawsuits in the fiscal year; amount includes indemnity and legal fees and expenses, regardless of date of occurrence. Does not include RBNP or IBNR reserves.
2. Above information includes pending and non-jurisdictional departments, but does not include associated agencies that are not County departments, i.e., MTA, Foothill Transit. This information includes County Counsel tort files.
3. Amounts valued as of June 30, 2022.
4. The total number of claims does not add up to the sum of claims by department since some claims are allocated to multiple departments; count includes all suffixes.

EXHIBIT E – 2 (SUBSET OF EXHIBIT E)**GENERAL LIABILITY/EMPLOYMENT PRACTICES LIABILITY CLAIM FREQUENCY AND EXPENSE SUMMARY
FY 2019-20 THROUGH FY 2021-22**

Department	FY 2019-20		FY 2020-21		FY 2021-22	
	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)
Agricultural Commissioner/Weights and Measures	0	\$351	0	\$72	0	\$0
Alternate Public Defender	0	\$276,473	0	\$4,933	0	\$9,058
Animal Care and Control	1	\$21,423	0	\$120,091	0	\$72,898
Arts and Culture	0	\$0	0	\$0	0	\$0
Assessor	5	\$694,704	4	\$463,309	1	\$709,763
Auditor-Controller	2	\$94,110	0	\$321,613	0	\$38,001
Beaches and Harbors	0	\$0	0	\$0	0	\$0
Board of Supervisors	0	\$20,000	2	\$1,311	33	\$183,532
Chief Executive Office	1	\$111,848	0	\$906,163	1	\$283,777
Child Support Services	2	\$76,129	1	\$64,060	2	\$152,247
Children and Family Services	15	\$8,518,749	7	\$1,676,512	4	\$6,991,130
Consumer and Business Affairs	0	\$0	0	\$0	0	\$0
County Counsel	0	\$0	0	\$0	1	\$0
District Attorney	6	\$274,445	5	\$1,350,448	9	\$1,737,640
Fire	7	\$532,208	7	\$546,056	14	\$839,040
Health Services	14	\$4,085,240	10	\$2,417,551	13	\$3,610,281
Human Resources	0	\$42,829	1	\$70,872	0	\$99,769
Internal Services	4	\$456,139	1	\$134,870	0	\$280,066
LACERA	0	\$252,886	0	\$0	0	\$0
LA County Library	2	\$0	0	\$127,773	0	\$461,486
Medical Examiner - Coroner	0	\$241,201	0	\$231,201	0	\$366,524
Mental Health	4	\$734,429	2	\$732,349	1	\$406,561
Military and Veterans Affairs	0	\$19,275	0	\$77,475	0	\$0
Museum of Art	0	\$0	0	\$0	0	\$0
Museum of Natural History	0	\$0	0	\$0	0	\$0
Non-Jurisdictional	12	\$7,637	9	\$5,926	9	\$15,723
Parks and Recreation	1	\$137,135	2	\$6,020	2	\$45,766
Pending Assignment	0	\$0	0	\$0	1	\$0
Probation	11	\$3,870,598	15	\$1,831,964	7	\$1,662,187
Public Defender	3	\$86,497	1	\$220,359	2	\$274,035
Public Health	5	\$197,639	4	\$301,419	3	\$335,303
Public Social Services	4	\$1,755,057	11	\$1,045,014	4	\$1,164,095
Public Works	4	\$469,310	1	\$335,961	10	\$412,680
Regional Planning	1	\$0	0	\$38,097	0	\$29,459
Registrar-Recorder/County Clerk	0	\$0	1	\$316	0	\$9,110
Sheriff	35	\$7,083,069	32	\$3,314,389	72	\$4,354,287
Superior Court	0	\$0	1	\$807	0	\$9,315
Treasurer and Tax Collector	2	\$53,391	0	\$92,635	0	\$314,509
Workforce Development, Aging and Community Svcs.	0	\$129,384	1	\$376,681	0	\$28,815
TOTAL⁴	138	\$30,242,152	116	\$16,816,246	189	\$24,897,057

EXHIBIT F

MEDICAL MALPRACTICE CLAIM FREQUENCY AND EXPENSE SUMMARY FY 2019-20 THROUGH FY 2021-22

Department	FY 2019-20		FY 2020-21		FY 2021-22	
	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)
DHS – Ambulatory Care Network	19	\$208,190	3	\$230,766	5	\$13,436
DHS – Correctional Health Services	10	\$0	7	\$27,548	4	\$6,037
DHS – Harbor-UCLA Medical Center	32	\$1,809,090	30	\$1,099,353	22	\$484,260
DHS - High Desert Medical Center	0	\$0	0	\$0	0	\$0
DHS – Juvenile Court Health Services	1	\$105,225	0	\$215,284	0	\$93,805
DHS – LAC+USC Medical Center	47	\$4,025,036	55	\$2,071,063	28	\$2,524,517
DHS – Not Otherwise Classified	1	\$0	3	\$80	0	\$45
DHS – Olive View-UCLA Medical Center	22	\$888,364	17	\$576,720	13	\$143,132
DHS – Rancho Los Amigos	10	\$23,307	2	\$12,241	1	\$6,980
Health Services Subtotal⁴	131	\$7,059,212	117	\$4,233,055	73	\$3,272,212
Children and Family Services	2	\$131	1	\$0	0	\$0
District Attorney	0	\$0	0	\$0	1	\$26
Fire	13	\$67,622	6	\$168,956	3	\$30,865
Medical Examiner – Coroner	0	\$17,421	0	\$0	0	\$0
Mental Health	4	\$15,775	6	\$22,462	1	\$34,546
Non-Jurisdictional	7	\$0	0	\$1,047	7	\$1,296
Probation	3	\$77,324	1	\$9,534	0	\$18,955
Public Health	0	\$529,718	0	\$18,000	4	\$18,051
Sheriff	4	\$150,830	5	\$126,697	1	\$113,963
TOTAL⁴	156	\$7,918,032	142	\$4,579,751	90	\$3,489,914

1. Amount Paid is the total of the transactions paid for medical malpractice claims and lawsuits in the fiscal year; amount includes indemnity and legal fees and expenses, regardless of date of occurrence. Does not include RBNP or IBNR reserves.
2. Above information includes pending and non-jurisdictional departments, but does not include associated agencies that are not County departments, i.e., MTA, Foothill Transit. This information includes County Counsel tort files.
3. Amounts valued as of June 30, 2022.
4. The total number of claims does not add up to the sum of claims by department since some claims are allocated to multiple departments; count includes all suffixes.

EXHIBIT G

COST OF RISK DETAIL

	FY 2019-20	FY 2020-21	FY 2021-22
Workers' Compensation			
Benefit Expense	\$284,778,888	\$285,572,606	\$338,543,702
Loss Expense ¹	\$94,442,679	\$101,886,703	\$107,064,590
Administrative Expense ²	\$17,362,897	\$16,877,997	\$17,790,931
Purchased Insurance ³	\$4,575,936	\$4,679,613	\$4,982,162
Workers' Compensation Expense Subtotal	\$401,160,400	\$409,016,919	\$468,381,386
Labor Code 4850 / Salary Continuation	\$127,304,869	\$133,418,720	\$162,510,229
Workers' Compensation Expense Total	\$528,465,269	\$542,435,639	\$630,891,614
Liability^{3, 4}			
Vehicle Liability Expense	\$28,176,437	\$15,685,346	\$26,706,807
General Liability Expense	\$126,503,210	\$103,513,609	\$121,460,668
Medical Malpractice Expense	\$7,918,033	\$4,579,751	\$3,489,914
Liability Expense Subtotal	\$162,597,679	\$123,778,705	\$151,657,389
Liability Administrative Expense ⁵	\$18,618,988	\$21,160,356	\$21,984,000
Liability Expense Total	\$181,216,667	\$144,939,061	\$173,641,389
Purchased Insurance (premiums and fees)	\$25,344,978	\$28,476,443	\$28,973,000
Cost of Risk^{6, 7}	\$735,026,914	\$715,851,144	\$804,533,003
Total County Operating Budget	\$33,328,813,000	\$35,328,479,000	\$39,576,967,000
Cost of Risk (as percentage of County Operating Budget)	2.21%	2.03%	2.03%
Non-County Agencies			
LACERA	\$843,795	\$1,471,752	\$560,034
Superior Court	\$9,821,970	\$7,616,447	\$7,726,551
Subtotal (Non-County agencies)	\$10,665,765	\$9,088,199	\$8,286,584
Cost of Risk (excluding non-County agencies)	\$724,361,149	\$706,762,945	\$796,246,419
Cost of Risk (Non-County agencies as percentage of County Operating Budget)	2.17%	2.00%	2.01%

1. Loss Expense includes third-party administrator fees, medical management fees, bill review fees, and State User fee.
2. Administrative Expense includes CEO, Auditor-Controller, and County Counsel expenses.
3. Paid claims represent the amount paid for all indemnity (pay type OC) in the fiscal year, regardless of occurrence date and does not include RBNP or IBNR reserves. Legal Expenses are defined in liability files as all fees and expenses paid from the liability claim (pay type SS).
4. Liability claim information included in this report is: (1) claims coded as Vehicle Liability (AL), General Liability (GL), and Medical Malpractice (MM); but, (2) information excludes Metropolitan Transportation Authority, Metrolink, departments not listed in Exhibit A, Children Services dependency cases, and probate funding accounts.
5. Liability Administrative Expense includes third-party administrator fees, consulting and management fees, and CEO expenses.
6. The Cost of Risk is defined as the summation of the items listed but does not include non-insured property claims and property damage to County-owned vehicles.
7. All amounts are paid as of June 30, 2022, as reported in the County's liability claim database, Workers' Compensation information system (ClaimsVision), and/or the Workers' Compensation Status Report.

LIST OF ABBREVIATIONS USED IN THIS REPORT (PAGE 1 OF 2)

Abbreviation	Meaning
ABE	Allocated Benefit Expenses
AED	Automated External Defibrillator
ALAE	Allocated Loss Adjustment Expenses
Board	Board of Supervisors
C&R	Compromise and Release
C&Rs	Compromise and Release Settlements
Cal/OSHA	California Occupational Safety and Health Administration
CAMIS	Countywide Acquisition Management Information System
CAP	Corrective Action Plans
Carl Warren	Carl Warren & Company
CEO	Chief Executive Office
CEO Risk Management	Chief Executive Office - Risk Management Branch
CHSWC	Commission on Health and Safety and Workers' Compensation
County	County of Los Angeles
COVID-19	Coronavirus Disease 2019
CPR	Cardiopulmonary Resuscitation
DHR	County of Los Angeles Department of Human Resources
DHS	County of Los Angeles Department of Health Services
EFT	Electronic Funds Transfer
Finance	Risk Management Finance Unit
FY	Fiscal Year
FYs	Fiscal Years
HIPAA	Health Insurance Portability and Accountability Act
HITECH	Health Information Technology for Economic and Clinical Health
IBNR	Incurred But Not Reported
Intercare	Intercare Holdings, Ltd.
IRS	Internal Revenue Service
ISD	County of Los Angeles Internal Services Department
LASD	County of Los Angeles Sheriff's Department
LC	Labor Code
LCP	Loss Control and Prevention
LERC	Legal Exposure Reduction Committee
MED	Morphine Equivalent Dose
MMCC	Medical Management and Cost Containment
OCIO	Office of Chief Information Office
OOP	Office of Privacy
OSCR	On-Site County Representative
OSCRs	On-Site County Representatives

LIST OF ABBREVIATIONS USED IN THIS REPORT (PAGE 2 OF 2)

Abbreviation	Meaning
PBM	Pharmacy Benefit Management
PHI	Protected Health Information
PPE	Personal Protective Equipment
RBNP	Reported But Not Paid
RMIG	Risk Management Inspector General
RMIP	Risk Management Information Platform
SAWW	State Average Weekly Wage
SB	Senate Bill
SCAPs	Summary Corrective Action Plans
TPA	Third Party Administrator
ULAE	Unallocated Loss Adjustment Expenses
UR	Utilization Review

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<http://riskmanagement.lacounty.gov/>